

City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2003

Prepared by:
The Finance Department

Jeffrey H. Harrington
Finance Director

**City of Dover, New Hampshire
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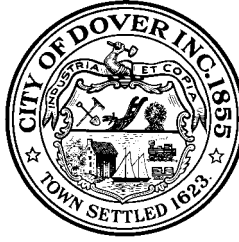
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INTRODUCTORY SECTION

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City Manager

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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

November 30, 2003

To the Honorable Mayor and members of the City Council:

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Melanson Heath & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial state-

ments, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of Government

Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire.

The City of Dover occupies an area of 29 square miles and serves a population of 26,884, based on the 2000 Census. The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855 and the current City Charter was adopted on March 9, 1977. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

The nine member City Council is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater

collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$ 10,000 or more for items with useful lives of 3 years or longer are included in the budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing. Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget (which includes the School Board request) for the next fiscal year is due to the City Council by April 15th of each year. The City Council may add to, or cut from, the Manager's recommended budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1. After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The City of Dover currently enjoys a favorable economic environment and local indicators point to continued stability. Economic indicators include the number of real estate transfers at 12.9% of taxable parcels for FY03, up a full percentage point. Equalized value per capita for FY03 was \$ 74,227, up 13% from \$ 65,680 in FY02.

Unemployment as of June 2003 was at 3.4%, well below both the State and U.S. rates of 4% and 6.5% respectively. This level is about on par with the levels from 1995 through 1997.

The percentage of uncollected taxes at the end of FY91 was 17.6%, while at the end of FY03 this rate was 5.3%. The amount of Property Tax Liens for FY03 remains at a low of 2.0% of the property tax levy.

Motor vehicle permits continued to be strong during FY03 at 29,990 vehicles. This represents a 10-year increase of over 29%. The number of building permits was down from 2002, but remained consistent with 2000 and 2001 at 629 with an average permit of \$ 69,159. The area reflecting the largest negative economic change is the in General Assistance payments; however, this appears to be leveling off in FY03.

The City successfully completed 42 zoning ordinance changes. Included in the rezoning effort were 200 new acres of industrial land, 200 acres for commercial uses, as well as changes intended to buffer the City from the effects of the residential development.

Financial Position. The City's General Fund ended Fiscal Year 2003 with an increase to its Undesignated Fund Balance of \$ 103,845 to \$ 3.7 million. The General Fund has been in the black since the deficits of the early 1990s. The General Fund undesignated fund balance at June 30, 2003 was 6.4% of the FY03 budget (6% is the minimum requirement of the City Financial Policies). The Water and Sewer Funds are in good financial health with quick ratios of 1.27 and 1.34, respectively. The quick ratio is a measure of current asset (excluding inventories) divided by current liabilities. A ratio of 1 is considered satisfactory. The Arena continued its deficit spending reaching a total unrestricted deficit of \$ 1,396,688 and has a quick ratio of .03. The City is in the process of reorganizing the division, increasing fees and reducing costs.

Unreserved/Unrestricted Equity		
Fund	FY02*	FY03
General	3,605,676	3,709,521
Water	860,198	1,105,362
Sewer	2,466,845	3,104,198
Arena	(922,021)	(1,396,688)
Total	6,010,698	6,522,393
* Water, Sewer and Arena restated		

The amount of debt has increased in constant dollars at an annual rate of 4.5% over the past 10 years. General Fund debt per capita is at \$ 1,446, a reasonable amount for a municipality the size of Dover. The General Fund debt to equalized value is 1.9%, considered below average. General Fund Debt Service as a percent of budget at 9.2% is considered average; however, it is higher than the 8% required by policy. This is partially due to the high rate of debt pay down also required by the policy. Pay down of debt over the next 10 years is at 79.3%, above the 75% required by policy and considered aggressive by credit agencies. These two policies conflict to some degree and the later is recommended for change to 65% pay down of debt within the next 10 years.

In August of 1999 the City received a bond rating upgrade from Moody's Investor Services to a Baa1. The City received a second upgrade to A3 in May 2001 and a third in June 2003 to A2. The City also received a rating from Standard & Poor's of A+ in June 2003.

In summary, the General Fund's financial position is considered healthy and improving. Reserves are adequate; however, they should be increased. The local economy is in good shape, in spite of national trends. Unlike the economic conditions of the early 1990's, with a local military base closing, there is no major issue negatively affecting the real estate and banking markets, which are strong. There is also more diversification in the makeup of the business community both in Dover and the surrounding area.

Long-term financial planning. The City Council will be determining the City's capital improvements program needs, which include the facility improvements of the School system in the amount of \$ 12.8 million, streets and sidewalk improvements of \$ 6.9 million, a new Police facility for \$ 6.25 million and the mitigation of the Tolend Road Landfill for \$ 5 million. The School and landfill mitigation projects are expected to receive state aid towards the debt service costs of the financing bonds.

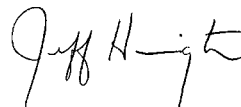
Acknowledgements

This report represents a milestone in the City of Dover's financial reporting. It is the first year that the City has received an unqualified opinion from the auditors due to the inclusion of complete and accurate capital asset information. Also, this is the first comprehensive annual financial report (CAFR) the City has produced. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report. In addition, the financial statements meet the reporting requirements of the new Governmental Accounting Standards Board (GASB) Statement 34 that provides for a government wide view of the City's finances. Each of these items required many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

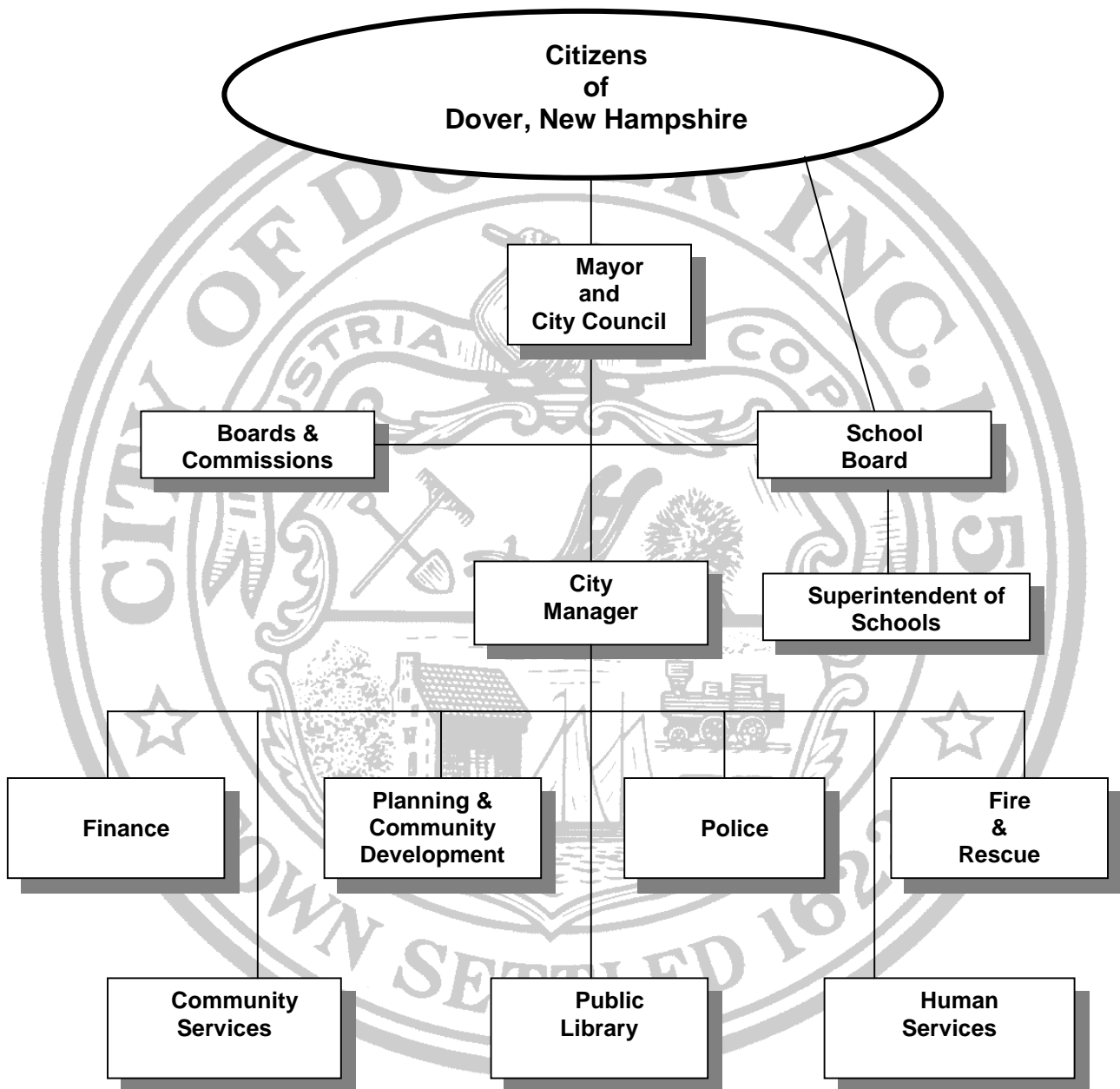


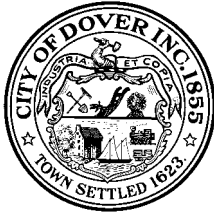
Paul Beecher
City Manager



Jeffrey H. Harrington
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

Fiscal Year 2003

(July 1, 2002 – June 30, 2003)

City Council Members

Mayor: Alexander G. Nossiff

Ward 6: Thomas C. Dunnington, Jr.,
Mayor Pro-Tem

Ward 1: Robert Keays

Ward 2: Brenda Whitmore

Ward 3: Matt Mayberry

Ward 4: Raymond Tweedie

Ward 5: Jason Hindle

At Large: Parks Christenbury III

At Large: Kevin Quigley

City Manager

Paul G. Beecher

Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Human Services

Jeffrey H. Harrington

Steven J. Stancel

William Fenniman, Jr.

Perry Plummer

Pierre Lavoie

Cathy Beaudoin

Janet A. Poulin

School Board

Ward 1: Linda Brennan

Ward 2: Valerie McKenny

Ward 3: Carolyn Mebert

Ward 4: Dorothy Hooper

Ward 5: Heather Orion-Hindle

Ward 6: Nicholas Skaltsis

At Large: Doris Grady

Superintendent: Armand LaSelva

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and applicable Nonmajor Governmental Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 23, the City has implemented several new *Governmental Accounting Standards Board Statements* which has resulted in the restatement of beginning fund equity balances of several funds, and has established net assets for governmental and business-type activities.

The management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's basic financial statements. The additional information included in the supplementary statement and schedule section is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 22, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
August 22, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2003. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 101,821,457 (i.e., net assets), an increase of \$ 989,052 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 16,132,748, an increase of \$3,362,948 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 3,709,521, an increase of \$ 103,845 in comparison with the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$ 55,061,863, an increase of \$ 835,813 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 70,852,151, an increase of \$ 8,009,774 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water, sewer, arena, and Dover Industrial Development Authority (DIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, arena and DIDA operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, arena, and DIDA operations, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 101,821,457, an increase of \$ 989,052 from the prior year.

Financial Position. The following is a summary of condensed government-wide financial data of net assets for the current fiscal year. Because fiscal year 2003 was the first year of GASB 34 implementation, prior year comparative data was not available for presentation. Comparative information will be provided in future years.

	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 31,340,328	\$ 10,058,938	\$ 41,399,266
Capital Assets	89,073,302	61,943,016	151,016,318
Total Assets	<u>\$120,413,630</u>	<u>\$ 72,001,954</u>	<u>\$192,415,584</u>
Long-term Liabilities	\$ 55,367,227	\$ 22,650,204	\$ 78,017,431
Other Liabilities	18,286,809	(5,710,113)	12,576,696
Total Liabilities	<u>\$ 73,654,036</u>	<u>\$ 16,940,091</u>	<u>\$ 90,594,127</u>
Net Assets:			
Invested in Capital Assets	\$ 49,686,985	\$ 50,262,498	\$ 99,949,483
Restricted	449,317	908,920	1,358,237
Unrestricted	(3,376,708)	3,890,445	513,737
Total Net Assets	<u><u>\$ 46,759,594</u></u>	<u><u>\$ 55,061,863</u></u>	<u><u>\$101,821,457</u></u>

By far the largest portion of net assets \$ 99,949,483 (98.2 percent) reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 1,358,237 represents resources that are subject to external restrictions on how they may be used. The remaining net balance of unrestricted net assets \$ 513,737 may be used to meet the government's ongoing obligations to citizens and creditors.

It should be noted that the unrestricted net asset balance consists of a negative balance in the governmental activities of \$ 3,376,708 and a positive balance in the business-type activities of \$ 3,890,445. The main reason for the negative position of the governmental activities is the inclusion of unfunded long-term liabilities for Tolend Road Landfill mitigation of \$ 11,016,013 and unfunded compensated absences of \$ 2,825,586.

Of the \$ 11,016,013 for Tolend Road Landfill mitigation, \$ 6,916,013 represents mitigation costs and \$ 4,100,000 represents post mitigation maintenance and monitoring. The City anticipates the mitigation costs to be financed with long-term debt and it is included in the City's six year Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$ 2,825,586 for compensated absences represents the unfunded portion of accrued employee leave benefits, payable as taken or at termination. The City has also funded an additional liability of \$ 492,666 into a separate fund to make payments. The unfunded portion is to be financed in the annual budget as needed.

Financial Results. The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal year. Because fiscal year 2003 was the first year of GASB 34 implementation, prior year comparative data was not available for presentation. Comparative information will be provided in future years.

CHANGE IN NET ASSETS

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 13,056,890	\$ 8,138,952	\$ 21,195,842
Operating grants and contributions	9,116,737	-	9,116,737
Capital grants and contributions	1,691,916	512,554	2,204,470
General revenues:			
Property taxes	38,969,984	-	38,969,984
Motor vehicle registration	3,719,694	-	3,719,694
Penalties and interest on taxes	196,283	-	196,283
Investment income	244,495	11,042	255,537
Other	223,362	-	223,362
Total Revenues	67,219,361	8,662,548	75,881,909
Expenses:			
General government	3,745,857	-	3,745,857
Public safety	9,713,495	-	9,713,495
Public works	7,995,930	-	7,995,930
Culture and recreation	2,985,494	-	2,985,494
Education	36,502,911	-	36,502,911
Human services	630,133	-	630,133
Intergovernmental	3,695,246	-	3,695,246
Interest on long-term debt	1,492,822	1,199,742	2,692,564
Miscellaneous	318,758	-	318,758
Water operations*	-	2,112,830	2,112,830
Sewer operations*	-	3,534,609	3,534,609
Arena operations*	-	957,932	957,932
DIDA operations	-	7,098	7,098
Total Expenses	67,080,646	7,812,211	74,892,857
Change in Net Assets before Transfers	138,715	850,337	989,052
Transfers in (out)	14,524	(14,524)	-
Change in Net Assets	153,239	835,813	989,052
Net Assets - beginning of year	46,606,355	54,226,050	100,832,405
Net Assets - end of year	<u>\$ 46,759,594</u>	<u>\$ 55,061,863</u>	<u>\$ 101,821,457</u>

* Excludes Interest on long-term debt reflected separately as follows:
Water \$ 213,516, Sewer \$ 792,958, Arena \$ 193,268

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 153,239. Key elements of this increase are as follows:

- The \$ 153,239 change in net assets consists principally of favorable general fund budgetary results of \$ 775,000 (less \$ 250,000 use of fund balance), excess of revenues of expenditures in nonmajor governmental funds (exclusive of capital projects) and the excess of depreciation expense over debt principal payments.

Business-Type Activities. Business-type activities for the year resulted in an increase in net assets of \$ 835,813 or 1.5%. Key elements of this change are as follows:

- The Water and Sewer Funds had net asset increases of \$ 835,575 or 6.1% and \$ 375,347 or .9%, respectively. The increases mainly relate to an increase in the estimate of unbilled revenue.
- The Arena Fund had a decrease in net assets of \$ 368,010 or 87.6% due mainly to a shortage of \$ 264,330 in revenue from low ice rental rates and transfers in.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 16,132,748, an increase of \$ 3,362,948 in comparison with the prior year. Most of this increase was attributable to realizing of \$ 9,159,000 in bond proceeds for capital improvements in the non-major governmental funds.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 3,709,521, while total fund balance was \$ 6,137,847. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.5 percent of total general fund expenditures, while total fund balance represents 10.8 percent of that same amount.

The fund balance of the general fund increased by \$ 433,364 during the current fiscal year, or 7.6%. Key factors in this change are as follows:

- Receipt of Motor Vehicle Permit revenue in excess of the amount budgeted by \$ 219,694.
- Under spending of departmental appropriations by \$ 285,485.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 3,890,445. This amount consists of the Water Fund of \$ 1,105,762, the Sewer Fund of \$ 3,104,198, the Arena Fund deficit of \$ 1,396,688 and the Dover Industrial Development Fund (DIDA) of \$ 1,077,173. Of the net assets of the DIDA Fund, \$ 1,043,641 represents an investment in land holdings for the purpose of resale for economic development.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

The Combined Balance Sheet presented on pages 18 and 19 is on a fund basis in accordance with the financial reporting model prior to GASB Statement 34 and is intended to assist the reader in understanding the City's financial position.

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Combined Balance Sheet

**All Fund Types and Account Groups
June 30, 2003**

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS					
Current Assets:					
Cash	\$ 6,461,098	\$ 39,644	\$ -	\$ 600	\$ -
Investments	16,761,974	2,111,707	-	892,769	-
Receivables, net of allowance for uncollectibles					
Taxes	2,010,899	-	-	-	-
Departmental	62,708	140,275	-	561,007	103,587
Departmental - unbilled	-	-	-	996,315	-
Intergovernmental	443,855	1,088,990	-	7,689,827	-
Loans receivable	-	618,898	-	-	-
Due from other funds	939,808	1,816,888	6,389,776	9,291,437	660,424
Inventories	-	40,898	-	232,916	66,489
Other assets	-	-	-	20,744	7,426
Long-term assets:					
Advance to other funds	1,381,880	-	-	-	-
Property, plant and equipment, net	-	-	-	62,989,657	-
Amounts to be provided for retirement of general long-term debt and other liabilities	-	-	-	-	-
Total Assets	\$ 28,062,222	\$ 5,857,300	\$ 6,389,776	\$ 82,675,272	\$ 837,926
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Accounts payable	\$ 421,704	\$ 167,407	\$ 376,475	\$ 481,046	\$ 22,243
Accrued liabilities	1,859,542	22,056	598	378,162	416,117
Retainage payable	-	-	105,512	173,290	-
Deferred revenue	900,462	637,120	-	-	-
Due to other funds	18,738,878	943,007	-	-	-
Other current liabilities	-	-	-	1,688	-
Long-term liabilities:					
Advance from Other Funds	-	-	-	1,381,880	-
Long-term debt	-	-	-	25,076,059	-
Other long-term liabilities	3,789	-	-	-	-
Compensated absences	-	-	-	121,284	-
Total Liabilities	21,924,375	1,769,590	482,585	27,613,409	438,360
Fund Balances:					
Invested in capital assets	-	-	-	-	-
Invested in capital assets- net of debt	-	-	-	50,262,498	-
Reserved For:					
Endowment	-	-	-	-	-
Encumbrances	790,753	394,500	1,825,214	-	-
Advances	1,381,880	-	-	-	-
Inventory	-	23,424	-	-	-
Debt	170,000	-	-	-	-
Capital outlay	85,693	-	4,081,977	908,920	-
Unreserved	3,709,521	3,669,786	-	3,890,445	399,566
Total Fund Balances	6,137,847	4,087,710	5,907,191	55,061,863	399,566
Total Fund Balances & Liabilities	\$ 28,062,222	\$ 5,857,300	\$ 6,389,776	\$ 82,675,272	\$ 837,926

Fiduciary Fund Types		Account Groups		Totals
Trusts	Agency	General Capital Assets	General Long Term Debt	Memorandum Only
\$ -	\$ -	\$ -	\$ -	\$ 6,501,342
532,645	-	-	-	20,299,095
-	-	-	-	2,010,899
-	-	-	-	867,577
-	-	-	-	996,315
-	-	-	-	9,222,672
-	-	-	-	618,898
9,797	573,755	-	-	19,681,885
-	-	-	-	340,303
-	-	-	-	28,170
-	-	-	-	1,381,880
-	-	89,073,302	-	152,062,959
-	-	-	59,617,691	59,617,691
<u>\$ 542,442</u>	<u>\$ 573,755</u>	<u>\$ 89,073,302</u>	<u>\$ 59,617,691</u>	<u>\$ 273,629,686</u>
\$ -	\$ 573,755	\$ -	\$ -	\$ 2,042,630
-	-	-	-	2,676,475
-	-	-	-	278,802
-	-	-	-	1,537,582
-	-	-	-	19,681,885
-	-	-	-	1,688
-	-	-	-	1,381,880
-	-	-	45,776,092	70,852,151
-	-	-	11,016,013	11,019,802
-	-	-	2,825,586	2,946,870
-	573,755	-	59,617,691	112,419,765
-	-	89,073,302	-	89,073,302
-	-	-	-	50,262,498
542,442	-	-	-	542,442
-	-	-	-	3,010,467
-	-	-	-	1,381,880
-	-	-	-	23,424
-	-	-	-	170,000
-	-	-	-	5,076,590
-	-	-	-	11,669,318
<u>542,442</u>	<u>-</u>	<u>89,073,302</u>	<u>-</u>	<u>161,209,921</u>
<u>\$ 542,442</u>	<u>\$ 573,755</u>	<u>\$ 89,073,302</u>	<u>\$ 59,617,691</u>	<u>\$ 273,629,686</u>

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$ 317,811. Major reasons for these amendments include:

- \$ 200,000 for additional snow removal.
- \$ 100,000 for additional Education purposes.
- \$ 17,811 for a state grant received by Community Services - Public Works for waste oil removal.

Of this increase, \$ 300,000 was funded from motor vehicle permit revenue in excess of the original budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 151,019,316 (net of accumulated depreciation), an increase of approximately \$ 10,644,000 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

	Capital Assets (000s) (net of depreciation)					
	Governmental Activities		Business-Type Activities		Totals	
	2002	2003	2002	2003	2002	2003
Land	\$ 10,334	\$ 10,334	\$ 1,712	\$ 2,037	\$ 12,046	\$ 12,371
Buildings and improvements	36,043	38,745	27,941	26,842	63,984	65,587
Machinery and equipment	12,484	11,673	1,855	1,980	14,339	13,653
Infrastructure	15,703	17,286	26,249	25,876	41,952	43,162
Construction in Progress	12,546	11,035	1,881	5,211	14,427	16,246
Total Assets	\$ 87,110	\$ 89,073	\$ 59,638	\$ 61,946	\$ 146,748	\$ 151,019

Major capital asset events during the current fiscal year included the following:

- The increase in building improvements mainly related to the Dover High School and Horne Street School for \$ 2,135,632 and \$ 915,000 respectively.
- The increase in infrastructure improvements mainly related to the Sixth Street Reconstruction of \$ 2,125,028 and general street improvements of \$ 719,214.

- The increase to construction in progress mainly related to School Facility Improvements of \$ 1,645,120, Tolend Road Landfill mitigation of \$ 871,880, the Dover Point Water Main of \$ 786,335 and the Berry Brook Sewer Main of \$ 723,484.

Long-term debt. At the end of the current fiscal year, total long-term debt outstanding was \$ 70,852,151, a net increase of \$ 8,009,774 over the previous fiscal year end, all of which was backed by the full faith and credit of the government.

Long-term Debt (000s)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2002	2003	2002	2003	2002	2003
General Obligation Bonds	\$ 39,598	\$ 44,844	\$ 22,182	\$ 25,053	\$ 61,780	\$ 69,897
State Revolving Loans	1,017	932	45	23	1,062	955
Total Long-term Debt	\$ 40,616	\$ 45,776	\$ 22,227	\$ 25,076	\$ 62,842	\$ 70,852

- During the fiscal year, the City issued \$ 14,280,000 in general obligation bonds; \$ 9,159,000 related to governmental activities and \$ 5,121,000 related to business-type activities. The City bonds were insured by AMBAC and were rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The underlying rating of the City was an A2 rating from Moody's Investor Service and an A+ from Standard & Poor's. The bonds sold at a true interest cost of 3.17 percent.

Additional information on capital assets and long-term debt can be found in the footnotes to the financial statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget	FY03	FY04	Increase (Decrease)	% Change
City	21,903,467	23,301,253	1,397,786	6.4%
School	31,930,456	33,238,790	1,308,334	4.1%
County	3,695,245	4,639,183	943,938	25.5%
Total Budget	57,529,168	61,179,226	3,650,058	6.3%

The following table reflects the tax levy amounts for each year.

Tax Levies	FY03	FY04	Increase (Decrease)	% Change
City	14,465,998	15,270,024	804,026	5.6%
School - Local	11,262,544	12,421,536	1,158,992	10.3%
School - State	8,936,790	8,716,438	(220,352)	-2.5%
Total School	20,199,334	21,137,974	938,640	4.6%
County	3,645,193	4,589,131	943,938	25.9%
Total Tax Levy	38,310,525	40,997,129	2,686,604	7.0%

The following table reflects the tax rates for each year.

Tax Rate	FY03	FY04	Increase (Decrease)	% Change
City	7.90	7.43	(0.47)	-5.9%
School - Local	6.08	5.98	(0.10)	-1.6%
School - State	4.91	4.26	(0.65)	-13.2%
Total School	10.99	10.24	(0.75)	-6.8%
County	1.97	2.21	0.24	12.2%
Total Tax Rate	20.86	19.88	(0.98)	-4.7%

- The reason for the overall decrease in the tax rate relates to an increase of \$ 225,664,950 in net assessed value to \$ 2,077,988,192.

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY03	FY04	Increase (Decrease)	% Change
Water Fund	2,323,187	2,542,010	218,823	9.4%
Sewer Fund	3,657,819	3,750,424	92,605	2.5%
Total Utility Funds	5,981,006	6,292,434	311,428	5.2%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY03	FY04	Increase (Decrease)	% Change
Water Fund	2.17	2.38	0.21	9.7%
Sewer Fund	3.73	3.98	0.25	6.7%
Combined Rates	5.90	6.36	0.46	7.8%

- The City is addressing the Arena Fund deficit through the renegotiation of ice rental rates and reorganization of the division in fiscal year 2004.

Discussion of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.ci.dover.nh.us

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CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2003

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 6,500,742	\$ 600	\$ 6,501,342
Investments	18,873,681	892,769	19,766,450
Receivables, net of allowance for uncollectibles:			
Property taxes	1,360,379	-	1,360,379
User fees	-	1,557,322	1,557,322
Departmental and other	306,570	-	306,570
Intergovernmental	1,532,845	1,059,948	2,592,793
Loans	618,898	-	618,898
Inventory	107,387	232,915	340,302
Other assets	7,426	20,744	28,170
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	6,629,879	6,629,879
Other	650,520	-	650,520
Advance to (from) other funds	1,381,880	(1,381,880)	-
Investment in land	-	1,043,641	1,043,641
Capital assets, net of accumulated depreciation	<u>89,073,302</u>	<u>61,946,016</u>	<u>151,019,318</u>
TOTAL ASSETS	120,413,630	72,001,954	192,415,584
LIABILITIES			
Current:			
Accounts payable	987,829	481,045	1,468,874
Accrued liabilities	2,365,836	378,161	2,743,997
Retainage payable	105,512	173,289	278,801
Interfund	9,874,989	(9,291,437)	583,552
Other current liabilities	159,043	1,690	160,733
Current portion of long-term liabilities:			
Bonds payable	4,214,821	2,547,139	6,761,960
Compensated absences	578,779	-	578,779
Noncurrent:			
Bonds payable, net of current portion	41,561,271	22,528,920	64,090,191
Compensated absences, net of current portion	2,789,943	121,284	2,911,227
Liability for hazardous waste-site cleanup	<u>11,016,013</u>	<u>-</u>	<u>11,016,013</u>
TOTAL LIABILITIES	73,654,036	16,940,091	90,594,127
NET ASSETS			
Invested in capital assets, net of related debt	49,686,985	50,262,498	99,949,483
Restricted for:			
Capital projects	-	908,920	908,920
State and federal grants	449,317	-	449,317
Unrestricted	<u>(3,376,708)</u>	<u>3,890,445</u>	<u>513,737</u>
TOTAL NET ASSETS	<u>\$ 46,759,594</u>	<u>\$ 55,061,863</u>	<u>\$ 101,821,457</u>

CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

		Program Revenues		
		Charges for	Operating	Capital
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u> <u>Contributions</u>	<u>Grants and</u> <u>Contributions</u>
Governmental Activities:				
General government	\$ 3,745,857	\$ 1,484,034	\$ 1,461,553	\$ -
Public safety	9,713,495	1,235,206	629,470	-
Public works	7,995,930	868,876	264,531	1,324,773
Culture and recreation	2,985,494	403,968	34,953	16,895
Education	36,502,911	9,004,003	6,726,230	350,248
Human services	630,133	6,230	-	-
Intergovernmental	3,695,246	-	-	-
Interest	1,492,822	-	-	-
Miscellaneous	318,758	54,573	-	-
Total Governmental Activities	<u>67,080,646</u>	<u>13,056,890</u>	<u>9,116,737</u>	<u>1,691,916</u>
Business-Type Activities:				
Water services	2,326,346	3,158,780	-	-
Sewer services	4,327,567	4,196,982	-	512,554
Arena services	1,151,200	783,190	-	-
DIDA services	7,098	-	-	-
Total Business-Type Activities	<u>7,812,211</u>	<u>8,138,952</u>	<u>-</u>	<u>512,554</u>
Total	<u>\$ 74,892,857</u>	<u>\$ 21,195,842</u>	<u>\$ 9,116,737</u>	<u>\$ 2,204,470</u>

General Revenues:

Property taxes
 Motor vehicle registrations
 Penalties, interest and other taxes
 Investment income
 Other revenue
 Transfers, net

Total general revenues and transfers

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business- Type Activities	Total
\$ (800,270)	\$ -	\$ (800,270)
(7,848,819)	-	(7,848,819)
(5,537,750)	-	(5,537,750)
(2,529,678)	-	(2,529,678)
(20,422,430)	-	(20,422,430)
(623,903)	-	(623,903)
(3,695,246)	-	(3,695,246)
(1,492,822)	-	(1,492,822)
(264,185)	-	(264,185)
<u>(43,215,103)</u>	<u>-</u>	<u>(43,215,103)</u>
-	832,434	832,434
-	381,969	381,969
-	(368,010)	(368,010)
<u>-</u>	<u>(7,098)</u>	<u>(7,098)</u>
<u>-</u>	<u>839,295</u>	<u>839,295</u>
<u>(43,215,103)</u>	<u>839,295</u>	<u>(42,375,808)</u>
38,969,984	-	38,969,984
3,719,694	-	3,719,694
196,283	-	196,283
244,495	11,042	255,537
223,362	-	223,362
<u>14,524</u>	<u>(14,524)</u>	<u>-</u>
<u>43,368,342</u>	<u>(3,482)</u>	<u>43,364,860</u>
153,239	835,813	989,052
<u>46,606,355</u>	<u>54,226,050</u>	<u>100,832,405</u>
<u>\$ 46,759,594</u>	<u>\$ 55,061,863</u>	<u>\$ 101,821,457</u>

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2003

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 6,461,098	\$ 39,644	\$ 6,500,742
Investments	16,761,974	2,111,707	18,873,681
Receivables, net of allowance for uncollectibles:			
Taxes	2,010,899	-	2,010,899
Departmental and other	62,708	140,275	202,983
Intergovernmental	443,855	1,088,990	1,532,845
Loans	-	618,898	618,898
Due from other funds	939,808	8,206,664	9,146,472
Advance to other funds	1,381,880	-	1,381,880
Inventory	-	40,898	40,898
TOTAL ASSETS	\$ <u>28,062,222</u>	\$ <u>12,247,076</u>	\$ <u>40,309,298</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 421,704	\$ 543,882	\$ 965,586
Accrued liabilities	1,859,542	22,654	1,882,196
Retainage payable	-	105,512	105,512
Deferred revenues	900,462	637,120	1,537,582
Due to other funds	18,738,878	943,007	19,681,885
Other liabilities	3,789	-	3,789
TOTAL LIABILITIES	21,924,375	2,252,175	24,176,550
Fund Balances:			
Reserved for:			
Encumbrances	790,753	2,219,714	3,010,467
Advances	1,381,880	-	1,381,880
Expenditures	85,693	-	85,693
Other specific purposes	170,000	23,424	193,424
Unreserved:			
Undesignated, reported in:			
General fund	3,709,521	-	3,709,521
Special revenue funds	-	3,669,786	3,669,786
Capital project funds	-	4,081,977	4,081,977
TOTAL FUND BALANCES	<u>6,137,847</u>	<u>9,994,901</u>	<u>16,132,748</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>28,062,222</u>	\$ <u>12,247,076</u>	\$ <u>40,309,298</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2003

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 38,649,599	\$ 477,468	\$ 39,127,067
Licenses and permits	4,096,208	-	4,096,208
Intergovernmental	1,914,757	5,113,963	7,028,720
Current services	1,124,299	2,861,961	3,986,260
Education	11,740,906	-	11,740,906
Miscellaneous	<u>478,202</u>	<u>582,570</u>	<u>1,060,772</u>
Total Revenues	58,003,971	9,035,962	67,039,933
Expenditures:			
Current:			
General government	2,946,305	416,274	3,362,579
Public safety	8,500,956	1,168,557	9,669,513
Public works	4,451,367	826,979	5,278,346
Culture and recreation	1,973,218	53,137	2,026,355
Education	29,199,879	5,443,127	34,643,006
Human services	653,336	528,133	1,181,469
Capital outlay	-	7,471,290	7,471,290
Intergovernmental	3,695,246	-	3,695,246
Debt service	<u>5,522,705</u>	<u>-</u>	<u>5,522,705</u>
Total Expenditures	<u>56,943,012</u>	<u>15,907,497</u>	<u>72,850,509</u>
Excess (deficiency) of revenues over expenditures	1,060,959	(6,871,535)	(5,810,576)
Other Financing Sources (Uses):			
Proceeds of bonds	-	9,159,000	9,159,000
Operating transfers in	49,595	894,914	944,509
Operating transfers out	<u>(677,190)</u>	<u>(252,795)</u>	<u>(929,985)</u>
Total Other Financing Sources (Uses)	<u>(627,595)</u>	<u>9,801,119</u>	<u>9,173,524</u>
Excess of revenues and other sources over expenditures and other uses	433,364	2,929,584	3,362,948
Fund Equity, at Beginning of Year, as restated	<u>5,704,483</u>	<u>7,065,317</u>	<u>12,769,800</u>
Fund Equity, at End of Year	<u>\$ 6,137,847</u>	<u>\$ 9,994,901</u>	<u>\$ 16,132,748</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2003

Total governmental fund balances	\$ 16,132,748
<ul style="list-style-type: none">Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	89,073,302
<ul style="list-style-type: none">Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,555,142
<ul style="list-style-type: none">Internal services funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	399,566
<ul style="list-style-type: none">In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(333,062)
<ul style="list-style-type: none">Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(60,068,102)
Net assets of governmental activities	\$ <u>46,759,594</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,362,948

<ul style="list-style-type: none">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay purchases, net	6,079,537
Depreciation	(4,116,688)
<ul style="list-style-type: none">Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue.	
	15,973
<ul style="list-style-type: none">The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:	
Issuance of debt	(9,159,000)
Repayments of debt	3,998,487
<ul style="list-style-type: none">In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	
	31,396
<ul style="list-style-type: none">Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	
	(142,966)
<ul style="list-style-type: none">Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities.	
	<u>83,552</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>153,239</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

Statement of Revenues and Other Financing Sources,
and Expenditures and Other Financing Uses -
Budget and Actual - General Fund - Budget Basis

For the Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 38,613,335	\$ 38,613,335	\$ 38,682,692	\$ 69,357
Licenses and permits	3,500,433	3,800,433	4,096,221	295,788
Intergovernmental	1,849,830	1,867,641	1,914,757	47,116
Current services	1,059,473	1,059,473	1,124,299	64,826
Education	11,731,122	11,731,122	11,740,906	9,784
Other revenue	492,975	492,975	478,202	(14,773)
Transfers in	32,000	32,000	49,595	17,595
Total Revenues and Other Sources	57,279,168	57,596,979	58,086,672	489,693
Expenditures and Other Uses:				
General Government				
City Council	154,349	154,349	144,835	9,514
Executive	928,532	931,532	930,310	1,222
Finance	912,917	912,917	908,354	4,563
Planning	585,449	633,866	632,885	981
Misc. General Government	701,586	801,724	800,710	1,014
Total General Government	3,282,833	3,434,388	3,417,094	17,294
Public Safety				
Police	4,800,088	4,798,818	4,756,118	42,700
Fire	3,863,585	3,863,585	3,853,753	9,832
Total Public Safety	8,663,673	8,662,403	8,609,872	52,531
Community Services - Public Works	3,758,211	3,953,855	3,898,641	55,214
Culture and Recreation				
Community Services - Recreation	1,153,205	1,070,685	1,039,652	31,033
Public Library	939,966	939,966	918,719	21,247
Total Culture and Recreation	2,093,171	2,010,651	1,958,371	52,280
Human Services	591,545	657,915	655,030	2,885
Education	29,751,613	29,851,613	29,825,786	25,827
Debt Service				
Principal	3,977,237	3,977,237	3,977,237	-
Interest	1,715,640	1,603,671	1,524,218	79,453
Total Debt Service	5,692,877	5,580,908	5,501,455	79,453
Intergovernmental	3,695,245	3,695,246	3,695,246	-
Total Expenditures and Other Uses	57,529,168	57,846,979	57,561,494	285,485
Excess (deficiency) of revenues and other sources over expenditures and other use	\$ <u>(250,000)</u> *	\$ <u>(250,000)</u> *	\$ <u>525,178</u>	\$ <u>775,178</u>

* Represents budgetary use of Fund Balance voted by the City Council.

See accompanying notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

SCHEDULE OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amounts</u>	<u>Positive (Negative)</u>
Revenues and Other Sources:				
Charges for services	\$ 1,189,839	\$ 1,189,839	\$ 864,822	\$ (325,017)
Intergovernmental	-	-	506,247	506,247
Miscellaneous	241,663	241,663	269,828	28,165
Transfers in	<u>374,000</u>	<u>374,000</u>	<u>374,000</u>	<u>-</u>
Total Revenues and Other Sources	1,805,502	1,805,502	2,014,897	209,395
Expenditures and Other Uses:				
Public safety	272,863	272,863	250,289	22,574
Education	800,000	800,000	1,073,272	(273,272)
Public works	704,639	704,639	686,026	18,613
Culture and recreation	<u>28,000</u>	<u>28,000</u>	<u>27,524</u>	<u>476</u>
Total Expenditures and Other Uses	<u>1,805,502</u>	<u>1,805,502</u>	<u>2,037,111</u>	<u>(231,609)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(22,214)</u>	\$ <u>(22,214)</u>

See Independent Auditors' Report.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2003

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DIDA Fund	
<u>ASSETS</u>					
Current:					
Cash and short-term investments	\$ -	\$ -	\$ 600	\$ -	\$ -
Investments	149,657	733,804	9,308	-	-
User fees, net of allowance for uncollectibles					
Billed	225,652	291,396	43,959	-	103,587
Unbilled	427,729	568,586	-	-	-
Intergovernmental receivables	10	1,059,938	-	-	-
Due from other funds	3,316,074	5,959,083	313	15,967	660,424
Inventory	211,857	19,537	1,522	-	66,489
Other assets	1,603	1,576	-	17,565	7,426
Total current assets	4,332,582	8,633,920	55,702	33,532	837,926
Noncurrent:					
Investment in land	-	-	-	1,043,641	-
Intergovernmental	-	6,629,879	-	-	-
Capital assets, net of accumulated depreciation	16,661,496	40,651,138	4,633,382	-	-
Total noncurrent assets	16,661,496	47,281,017	4,633,382	1,043,641	-
TOTAL ASSETS	20,994,078	55,914,937	4,689,084	1,077,173	837,926
<u>LIABILITIES</u>					
Current:					
Accounts payable	344,866	121,345	14,835	-	22,243
Accrued liabilities	52,986	302,668	22,508	-	416,117
Retainage payable	53,775	119,515	-	-	-
Advance from other funds	-	-	1,381,880	-	-
Other current liabilities	763	925	-	-	-
Current portion of long-term liabilities:					
Bonds payable	645,649	1,653,000	248,490	-	-
Total current liabilities	1,098,039	2,197,453	1,667,713	-	438,360
Noncurrent:					
Bonds payable, net of current portion	5,340,000	13,403,000	3,785,920	-	-
Compensated absences	43,190	54,547	23,547	-	-
Total noncurrent liabilities	5,383,190	13,457,547	3,809,467	-	-
TOTAL LIABILITIES	6,481,229	15,655,000	5,477,180	-	438,360
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	13,243,168	36,420,359	598,971	-	-
Reserved for capital projects	163,919	735,380	9,621	-	-
Unrestricted	1,105,762	3,104,198	(1,396,688)	1,077,173	399,566
TOTAL NET ASSETS	<u>\$ 14,512,849</u>	<u>\$ 40,259,937</u>	<u>\$ (788,096)</u>	<u>\$ 1,077,173</u>	<u>\$ 399,566</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2003

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Fund
	Water Fund	Sewer Fund	Arena Fund	DIDA Fund	
Operating Revenues:					
Charges for services	\$ 3,040,583	\$ 3,917,154	\$ 744,278	\$ -	\$ 1,175,104
Other	<u>27,738</u>	<u>179,928</u>	<u>32,662</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	3,068,321	4,097,082	776,940	-	1,175,104
Operating Expenses:					
Personnel services	953,028	946,451	419,123	-	499,342
Supplies and materials	198,097	236,722	40,284	-	23,279
Charges and services	250,698	328,302	86,045	7,098	322,797
Utilities	204,340	312,720	268,306	-	-
Capital outlay	5,030	124,454	-	-	39,441
Depreciation	501,637	1,585,960	144,174	-	-
Costs of sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,693</u>
Total Operating Expenses	<u>2,112,830</u>	<u>3,534,609</u>	<u>957,932</u>	<u>7,098</u>	<u>1,091,552</u>
Operating Income (Loss)	955,491	562,473	(180,992)	(7,098)	83,552
Nonoperating Revenues (Expenses):					
Intergovernmental revenue	-	512,554	-	-	-
Investment income	3,141	7,902	-	-	-
Other	90,459	99,900	6,250	-	-
Interest expense	<u>(213,516)</u>	<u>(792,958)</u>	<u>(193,268)</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>(119,916)</u>	<u>(172,602)</u>	<u>(187,018)</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers	835,575	389,871	(368,010)	(7,098)	83,552
Transfers:					
Operating transfers out	<u>-</u>	<u>(14,524)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	835,575	375,347	(368,010)	(7,098)	83,552
Net Assets at Beginning of Year, as restated	<u>13,677,274</u>	<u>39,884,590</u>	<u>(420,086)</u>	<u>1,084,271</u>	<u>316,014</u>
Net Assets at End of Year	<u>\$ 14,512,849</u>	<u>\$ 40,259,937</u>	<u>\$ (788,096)</u>	<u>\$ 1,077,173</u>	<u>\$ 399,566</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2003

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Fund
	Water Fund	Sewer Fund	Arena Fund	DIDA Fund	
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers and users	\$ 2,752,857	\$ 4,563,744	\$ 825,847	\$ 7,834	\$ -
Receipts from interfund service provided	-	-	-	-	1,165,608
Payments to vendors and employees	(444,118)	(910,986)	(823,010)	(7,834)	(1,226,645)
Payments of employee benefits and expenses	(952,750)	(946,306)	-	-	-
Net Cash Provided By (Used For) Operating Activities	1,355,989	2,706,452	2,837	-	(61,037)
<u>Cash Flows From Noncapital Financing Activities:</u>					
Transfers to other funds	-	(14,524)	-	-	-
Other	90,459	99,900	6,250	-	-
Intergovernmental subsidy	-	512,554	-	-	-
Net Cash (Used For) Noncapital Financing Activities	90,459	597,930	6,250	-	-
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Proceeds from issuance of bonds and notes	2,225,000	2,896,000	-	-	-
Capital asset additions	(1,921,998)	(2,618,107)	-	-	-
Principal payments on bonds and notes	(546,649)	(1,480,000)	(244,534)	-	-
Interest expense	(213,516)	(792,958)	(193,268)	-	-
Due from other funds	(1,267,088)	(1,569,993)	-	-	61,037
Advance from general fund	-	-	437,644	-	-
Net Cash (Used For) Capital and Related Financing Activities	(1,724,251)	(3,565,058)	(158)	-	61,037
<u>Cash Flows From Investing Activities:</u>					
Investment income	3,142	7,903	-	-	-
Investment purchases (sales)	274,661	252,773	(8,929)	-	-
Net Cash (Used For) Investing Activities	277,803	260,676	(8,929)	-	-
Net Change in Cash and Short-Term Investments	-	-	-	-	-
Cash and Short Term Investments, Beginning of Year	-	-	600	-	-
Cash and Short Term Investments, End of Year	\$ -	\$ -	\$ 600	\$ -	\$ -
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>					
Operating income (loss)	\$ 955,491	\$ 562,473	\$ (180,992)	\$ (7,098)	\$ 83,553
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	501,637	1,585,960	144,174	-	-
Changes in assets and liabilities:					
User fees	(315,464)	466,662	48,908	7,834	(9,496)
Inventory	(26,608)	85	(148)	-	(9,994)
Other assets	(1,604)	(1,576)	-	-	3,978
Accounts payable	276,069	38,316	(5,092)	(736)	(23,322)
Accrued liabilities	(43,079)	(84,808)	(4,013)	-	(105,756)
Other liabilities	9,547	139,340	-	-	-
Net Cash Provided By (Used For) Operating Activities	\$ 1,355,989	\$ 2,706,452	\$ 2,837	\$ -	\$ (61,037)

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
<u>ASSETS</u>		
Investments	\$ 532,645	\$ -
Due from other funds	<u>9,797</u>	<u>573,755</u>
Total Assets	542,442	573,755
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	<u>-</u>	<u>573,755</u>
Total Liabilities	<u>-</u>	<u>573,755</u>
<u>NET ASSETS</u>		
Total net assets held in trust	\$ <u><u>542,442</u></u>	\$ <u><u>-</u></u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Private Purpose Trust Funds</u>
Additions:	
Contributions	54,206
Investment income	<u>1,105</u>
Total additions	55,311
Deductions:	
Miscellaneous	<u>13,299</u>
Total deductions	<u>13,299</u>
Net increase	42,012
Net assets:	
Beginning of year	<u>500,430</u>
End of year	\$ <u><u>542,442</u></u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2003, it was determined that no entities met the required GASB-14 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded

from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- Water Enterprise Fund
- Sewer Enterprise Fund
- Arena Enterprise Fund
- DIDA Enterprise Fund

The private-purpose trust fund is used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

D. Cash and Short-Term Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under the statutes of the State of New Hampshire, the City may invest excess funds in short-term obligations of the U.S. Government, in deposits with savings banks incorporated in the state, or in certificates of deposits of state incorporated banks, national banks incorporated in New Hampshire or Massachusetts, or the New Hampshire Public Deposit Investment Pool. The City has developed a formal investment policy outlining criteria to determine qualified financial institutions and investment in certificates of deposit, repurchase agreements, and U.S. Treasury bills. All investments are made under this policy.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

E. Investments

Under New Hampshire law, “the trustees shall have the custody of all trust funds held by their city or town. The funds shall be invested only by deposit in some savings bank or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in bonds, notes or other obligations of the United States government, or in state, country, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state; and such stock and bonds as are legal for investment by New Hampshire savings banks and when so invested, the trustees shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Foundation in accordance with RSA 292:23. The trustees may retain investments as received from donors, until the maturity thereof.” Investments of any one type or in any one institution may not exceed \$ 10,000 or 10 percent except for deposits in savings banks, or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units of any common trust funds established by the New Hampshire Charitable Foundation in accordance with RSA 292:23.”

Investments for the trust funds consist of shares in mutual funds and short-term money market investments. Investments are carried at market value.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

G. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	40
Building systems	15 - 24
Infrastructure	20 - 60
Water/sewer infrastructure	24 - 50
Vehicles	8 - 15
Office equipment	7 - 15
Computer equipment	5 - 10
Improvements other than buildings	15 - 20
Machinery and equipment	5 - 15

I. Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which

lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2003 was \$ 492,666. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 1. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are

adopted for the general fund, various special revenue funds, and proprietary funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Committee.

The City Manager, with Council approval, may transfer budgeted amounts between non-school departments, and the head of the School Department may transfer budget amounts within the department. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

B. Budgetary Basis

The General Fund final appropriation appearing on Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other financing sources	Expenditures and other financing uses	Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses
<u>General Fund</u>			
Revenues/Expenditures (GAAP basis)	\$ 58,003,971	\$ 56,943,012	\$ 1,060,959
Other financing sources/ uses (GAAP basis)	<u>49,595</u>	<u>677,190</u>	<u>(627,595)</u>
Subtotal (GAAP basis)	58,053,566	57,620,202	433,364
			(continued)

(continued)

<u>General Fund</u>	<u>Revenues and other financing sources</u>	<u>Expenditures and other financing uses</u>	<u>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</u>
Adjust property tax revenue to accrual basis	33,106	-	33,106
Reverse beginning of year appropriation carryforwards from expenditures	-	(760,238)	760,238
Add end of year appro- priation carryforwards to expenditures	-	722,780	(722,780)
To reverse amortized debt	<u>-</u>	<u>(21,250)</u>	<u>21,250</u>
Budgetary Basis	\$ <u>58,086,672</u>	\$ <u>57,561,494</u>	\$ <u>525,178</u>
<u>Nonmajor Governmental Funds</u>			
Revenues/Expenditures (GAAP basis)	\$ 9,035,962	\$ 15,907,497	\$ (6,871,535)
Other financing sources/ uses (GAAP basis)	<u>10,053,914</u>	<u>252,795</u>	<u>9,801,119</u>
Subtotal	19,089,876	16,160,292	2,929,584
Nonmajor governmental funds previously budgeted or not governed by annual budget	<u>(17,074,979)</u>	<u>(14,123,181)</u>	<u>(2,951,798)</u>
Budgetary basis	\$ <u>2,014,897</u>	\$ <u>2,037,111</u>	\$ <u>(22,214)</u>

In addition, adjustments are made to the proprietary funds to conform to the budgetary basis, primarily for the omission of depreciation expense which is not budgeted, and the inclusion of principal debt service and capital expenses which are budgeted expenses.

D. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds:

Special Revenue Funds:

Tuition Programs	\$(210,318)
School Alternative Education	\$(1,601)
School Facilities	\$(61,353)

Proprietary Funds:

Enterprise Fund:	
Arena Fund	\$(98,558)

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2003:

Nonmajor Governmental Funds:

Special Revenue Funds:	
Police - DOT	\$(268)
Tuition Programs Fund	\$(6,298)

Proprietary Funds:

Enterprise Fund:	
Arena Fund	\$(788,096)

The deficits in these funds will be eliminated through future departmental or intergovernmental revenues and transfers from other funds.

3. Cash and Cash Equivalents

At year end, the City's carrying amount of deposits was \$ 6,501,342 and the bank balance was \$ 7,924,200. Of the bank balance, \$ 128,750 was covered by federal depository insurance or by collateral held by the government's agent in the City's name. The remaining balance was collateralized with securities held by the Federal Reserve Bank of Boston in a joint account of the financial institution and the government in both names.

4. Investments

The City's investments are categorized into the following three categories of credit risk:

- (1) Insured or registered, or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

At year end, the government's investment balances were as follows (in thousands):

	Category			<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments not subject to categorization:				
Public deposit investment pool	\$ 18,525	\$ -	\$ -	\$ 18,525 *
Mutual and money market funds	<u>-</u>	<u>1,774</u>	<u>-</u>	<u>1,774</u>
Total Investments	\$ <u>18,525</u>	\$ <u>1,774</u>	\$ <u>-</u>	\$ <u>20,299</u>

* These investments are fully collateralized with collateral held by a third party, and are fully insured by MBIA, Inc.

5. Taxes Receivable

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2003 are comprised of (in thousands):

Unredeemed taxes:	
Levy of 2003	\$ 1,642
Levy of 2002	231
Levy of 2001	140
Levy of 2000	5
Allowance for abatements	(<u>27</u>)
Subtotal	1,991

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Other taxes:

Other miscellaneous taxes 20

Total \$ 2,011

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 27,080	\$ -

7. Intergovernmental Receivables

Intergovernmental receivables of \$ 443,855 reported in the general fund represents tuition revenue received from area school districts in July and August 2003. The balance of \$ 1,088,990 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Fund bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended <u>June 30</u>	<u>Reimbursement For</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 829,603	\$ 483,827	\$ 1,313,430
2005	829,603	429,892	1,259,495
2006	829,603	372,210	1,201,813
2007	829,602	320,070	1,149,672
2008	<u>829,603</u>	<u>262,846</u>	<u>1,092,449</u>
Subtotal	4,148,014	1,868,845	6,016,859
2009-2013	<u>3,311,463</u>	<u>493,313</u>	<u>3,804,776</u>
Total	<u>\$ 7,459,477</u>	<u>\$ 2,362,158</u>	<u>\$ 9,821,635</u>

In the Sewer Enterprise fund the City has accrued \$ 230,340 of interest due in fiscal year 2004, along with all principal as Intergovernmental Receivables at June 30, 2003.

8. Loans Receivable

Loans receivable of \$ 618,898 in nonmajor governmental funds represent the uncollected balance of community development loans.

9. Interfund Fund Receivables/Payables

The City maintains self-balancing funds; however, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2003 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ 939,808	\$ 18,738,878	\$ 1,381,880	\$ -
Nonmajor Governmental Funds:				
Special Revenue Funds:				
Housing rehabilitation	205,472	-	-	-
Economic DELP	142,333	-	-	-
CDBG	-	37,903	-	-
Police justice	7,148	-	-	-
Police DHA	8,796	-	-	-
Tobacco	-	7,145	-	-
Police transportation	-	17,764	-	-
School lunch	-	13,060	-	-
School categorical aid	-	795,972	-	-
Plan improvement	202,925	-	-	-
Dover main	-	6,324	-	-
Emergency management	49,737	-	-	-
Police parking	106,900	-	-	-
Planning conservation	720,236	-	-	-
Special programs	5,106	17,704	-	-
Tuition programs	-	43,936	-	-
Vocational center	1,036	-	-	-
Alternative education	39,327	-	-	-
Facilities fund	58,916	-	-	-
Library fines	32,556	-	-	-
Residential solid waste	120,569	-	-	-
Rec. field maintenance	51,571	-	-	-
Recreation programs	61,374	-	-	-
Expendable trusts	2,886	3,199	-	-
Capital Project Funds:				
CIP FY00	78,298	-	-	-
CIP FY01	265,665	-	-	-
CIP FY02	528,449	-	-	-
CIP FY03	4,550,765	-	-	-
Tolend road landfill	415,645	-	-	-
Rec. field construction	550,954	-	-	-

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<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
Major Proprietary Funds:				
Enterprise Funds:				
Water	3,316,074	-	-	-
Sewer	5,959,083	-	-	-
Arena	313	-	-	1,381,880
DIDA	15,967	-	-	-
Nonmajor Proprietary Funds:				
Internal Service Funds:				
Fleet maintenance	79,125	-	-	-
Dover net	41,135	-	-	-
Central stores	27,268	-	-	-
Workers' compensation	512,896	-	-	-
Fiduciary Funds:				
Private Purpose	9,797	-	-	-
Agency	<u>573,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>19,681,885</u>	\$ <u>19,681,885</u>	\$ <u>1,381,880</u>	\$ <u>1,381,880</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 53,473	\$ 3,900	\$ -	\$ 57,373
Machinery, equipment, and furnishings	19,202	640	(25)	19,817
Infrastructure	<u>42,769</u>	<u>3,075</u>	<u>-</u>	<u>45,844</u>
Total capital assets, being depreciated	115,444	7,615	(25)	123,034
Less accumulated depreciation for:				
Buildings and improvements	(17,430)	(1,260)	-	(18,690)
Machinery, equipment, and furnishings	(6,718)	(1,364)	-	(8,082)
Infrastructure	<u>(27,066)</u>	<u>(1,492)</u>	<u>-</u>	<u>(28,558)</u>
Total accumulated depreciation	<u>(51,214)</u>	<u>(4,116)</u>	<u>-</u>	<u>(55,330)</u>
Total capital assets, being depreciated, net	64,230	3,499	(25)	67,704
Capital assets, not being depreciated:				
Land	10,334	-	-	10,334
Construction in progress	<u>12,546</u>	<u>2,597</u>	<u>(4,108)</u>	<u>11,035</u>
Total capital assets, not being depreciated	<u>22,880</u>	<u>2,597</u>	<u>(4,108)</u>	<u>21,369</u>
Governmental activities capital assets, net	\$ <u>87,110</u>	\$ <u>6,096</u>	\$ <u>(4,133)</u>	\$ <u>89,073</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,284	\$ 67	\$ -	\$ 39,351
Machinery, equipment, and furnishings	5,048	378	-	5,426
Infrastructure	<u>39,402</u>	<u>440</u>	<u>-</u>	<u>39,842</u>
Total capital assets, being depreciated	83,734	885	-	84,619
Less accumulated depreciation for:				
Buildings and improvements	(11,343)	(1,166)	-	(12,509)
Machinery, equipment, and furnishings	(3,193)	(253)	-	(3,446)
Infrastructure	<u>(13,153)</u>	<u>(813)</u>	<u>-</u>	<u>(13,966)</u>
Total accumulated depreciation	<u>(27,689)</u>	<u>(2,232)</u>	<u>-</u>	<u>(29,921)</u>
Total capital assets, being depreciated, net	<u>56,045</u>	<u>(1,347)</u>	<u>-</u>	<u>54,698</u>
Capital assets, not being depreciated:				
Land	1,712	325	-	2,037
Construction in progress	<u>1,881</u>	<u>3,330</u>	<u>-</u>	<u>5,211</u>
Total capital assets, not being depreciated	<u>3,593</u>	<u>3,655</u>	<u>-</u>	<u>7,248</u>
Business-type activities capital assets, net	\$ <u>59,638</u>	\$ <u>2,308</u>	\$ <u>-</u>	\$ <u>61,946</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	\$ 20
Public safety	257
Education	1,260
Public works	2,000
Culture and recreation	<u>579</u>
Total depreciation expense - governmental activities	\$ <u>4,116</u>
Business-Type Activities:	
Water	\$ 501
Sewer	1,586
Arena	<u>145</u>
Total depreciation expense - business-type activities	\$ <u>2,232</u>

11. Accounts Payable

Accounts payable represents fiscal year 2003 invoices paid in the subsequent fiscal year.

12. Accrued Liabilities

Accrued liabilities in the general fund represents salaries earned but unpaid to City and School employees at year end.

13. Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2003 less property and unredeemed tax collections for the subsequent 60 days.

14. Long-Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. The bonds reported in the business-type activities are repaid from business-type activities' revenues. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Original Issue Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Bonds Payable:				
Public improvements 1988	\$ 3,462,000	7.1897% (2)	07/15/03	\$ 225,000
WWTP-State guaranteed 1988	1,295,000	6.9788% (2)	07/15/03	70,000
Public improvements 1989	2,816,220	6.7911% (1)	07/15/04	370,000
Public improvements 1990	4,414,280	6.9325% (1)	01/15/06	810,000
Public improvements 1991	2,722,500	6.6354% (1)	08/15/06	580,000
WWTP-State guaranteed 1991	10,500,000	6.6983% (1)	07/15/11	4,725,000
WWTP-State guaranteed 1991	7,300,000	6.5746% (1)	01/15/12	3,285,000
WWTP-State guaranteed 1992	450,000	5.5966% (1)	01/15/12	200,000
Public improvements 1993	1,188,338	5.4153%	08/15/08	480,000
Public improvements 1994	3,043,000	5.6100%	08/15/09	1,305,000
Public improvements 1995	3,356,711	5.3259%	08/15/10	1,700,000
Public improvements 1996	3,885,092	5.6554%	08/15/11	2,105,000
Energy conservation 1996	875,055	5.4059%	01/15/12	424,410
Public improvements 1997	1,002,327	4.8400%	08/15/12	575,000
Public improvements 1999	4,137,500	4.1900%	01/15/13	2,810,000
Public improvements 1999	2,179,901	5.5100%	01/15/15	1,730,000
New Middle School 1999	15,741,027	5.5800%	01/15/20	12,132,764
Public improvements 2001	22,991,400	4.4506%	06/15/21	19,990,000
Public improvements 2002	2,240,600	4.2300%	06/15/22	2,100,000
Public improvements 2003	<u>14,280,000</u>	3.1668%	06/15/24	<u>14,280,000</u>
Total bonds payable	107,880,951			69,897,174

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<u>Description</u>	<u>Original Issue Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Other Long-Term Debt:				
State revolving loan - Tolend landfill	1,271,357	3.5625%	09/01/13	932,328
State revolving loan - Griffin well	<u>250,000</u>	1.1875%	11/01/03	<u>22,649</u>
Total Long-Term Debt	\$ <u>109,402,308</u>			\$ <u>70,852,151</u>

(1) Refinanced, original NIC reflected.

(2) Refinanced, new NIC reflected.

B. Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2003 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 4,214,821	\$ 1,644,938	\$ 5,859,759
2005	4,220,335	1,557,458	5,777,793
2006	4,025,607	1,476,191	5,501,798
2007	3,741,087	1,399,717	5,140,804
2008	3,492,838	1,335,997	4,828,835
2009 - 2013	14,983,773	5,830,641	20,814,414
2014 - 2018	9,082,599	4,808,134	13,890,733
2019 - 2023	1,890,032	1,925,153	3,815,185
2024 - 2028	<u>125,000</u>	<u>5,120</u>	<u>130,120</u>
Total	\$ <u>45,776,092</u>	\$ <u>19,983,349</u>	\$ <u>65,759,441</u>
<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 2,547,139	\$ 1,211,892	\$ 3,759,031
2005	2,397,490	1,080,835	3,478,325
2006	2,307,490	960,847	3,268,337
2007	2,062,490	843,315	2,905,805
2008	2,030,490	740,603	2,771,093
2009 - 2013	8,756,960	2,182,890	10,939,850
2014 - 2018	3,949,000	712,347	4,661,347
2019 - 2023	<u>1,025,000</u>	<u>101,856</u>	<u>1,126,856</u>
Total	\$ <u>25,076,059</u>	\$ <u>7,834,585</u>	\$ <u>32,910,644</u>

All governmental fund long-term debt will be repaid through the general fund. The City's proprietary fund future debt service is partially funded by state and as described in Note 7.

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2003 are as follows:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount</u>
Public Improvements 2004	2002/2003	\$ <u>4,789,000</u>

D. Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2003 and related limitations. These limits are based on the tax year 2002 base valuations for debt limits of \$ \$ 2,065,144,579 provided by the State Department of Revenue Administration.

<u>Purpose</u>	<u>Percent of State Assessed Value</u>	<u>Maximum Debt Limit</u>	<u>Applicable Bonds Outstanding at June 30, 2003</u>
Municipal	3%	\$ 61,954,337	\$ 25,855,410
School	7%	144,560,121	20,067,764
Water	10%	206,514,458	5,985,649
DIDA	-	5,000,000 *	1,455,000
Not subject to limitation	-	-	<u>17,488,328</u>
Total			\$ <u>70,852,151</u>

* Debt limit is set by special legislation.

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2003, the following changes occurred in long-term liabilities (in thousands):

	<u>Total Balance 7/1/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total Balance 6/30/03</u>	<u>Less Current Portion</u>	<u>Equals Long-Term Portion 6/30/03</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 40,616	\$ 9,159	\$ (3,999)	\$ 45,776	\$ (4,215)	\$ 41,561
Other:						
Compensated absences	3,225	143	(-)	3,368	(578)	2,790
Liability for hazardous waste-site cleanup	<u>11,016</u>	<u>-</u>	<u>(-)</u>	<u>11,016</u>	<u>(-)</u>	<u>11,016</u>
Totals	\$ <u>54,857</u>	\$ <u>9,302</u>	\$ <u>(3,999)</u>	\$ <u>60,160</u>	\$ <u>(4,793)</u>	\$ <u>55,367</u>

(continued)

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	Total Balance <u>7/1/02</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/03</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/03</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 22,227	\$ 5,121	\$ (2,272)	\$ 25,076	\$ (2,547)	\$ 22,529
Other:						
Compensated absences	<u>113</u>	<u>8</u>	<u>(-)</u>	<u>121</u>	<u>(-)</u>	<u>121</u>
Totals	\$ <u>22,340</u>	\$ <u>5,129</u>	\$ <u>(2,272)</u>	\$ <u>25,197</u>	\$ <u>(2,547)</u>	\$ <u>22,650</u>

15. Landfill Closure and Postclosure Care Costs

The City owned and operated a 55 acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991 the Environmental Protection Agency issued a Record of Decision on the closure of the site, including the City as a Potentially Responsible Party (PRP). The current estimated cost of the closure is \$ 21.8 million. The City has negotiated its preliminary share at \$ 8,166,666 of the first \$ 20 million. This amount includes the Town of Madbury. The City appropriated \$ 2.0 million within the General Fund in fiscal year 1993 through fiscal year 1997 toward the eventual closure costs. \$ 260,000 was received from insurance companies through litigation. \$ 300,000 was received from the Town of Madbury for its full share. An additional \$ 317,000 was received from the State of New Hampshire for a 20% match toward costs to date. The liability of \$ 11,016,013, reported in the long-term debt account group includes an estimate of post closure cost of \$ 4,100,000.

The final allocation of the additional costs will be determined by further negotiations with the remaining seven PRPs or by court judgment. Thirty-one other PRPs have made final settlement on all costs related to the closure with EPA.

The City closed on a loan through the New Hampshire State Revolving Loan program for \$ 1,271,357 in fiscal year 1999. This covered the preliminary costs and capping design. The proceeds of \$ 1,500,000 of the \$ 14,280,000 general obligation bonds issued June 15, 2003 will be used in connection with remediation work at the landfill site.

The City has been in negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves bio-remediation and carries significant savings versus conventional capping. The City received approval for and is in the process of a pilot program to determine the effectiveness of this method. As a result, the City received a four year deferral of the capping requirement from EPA. A final decision from EPA is expected in the next

several months. \$ 1,500,000 of the June 15, 2003 bond issue relates to continued expenses of the pilot program and legal expenses.

16. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

17. Reserves and Designations of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use. Fund "designations," which are not legally required segregations, have also been established to indicate tentative plans for future financial utilization.

The following types of reserves and designations are reported at June 30, 2003:

Reserved for Encumbrances - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Advances - An account used to segregate a portion of fund balance to indicate that advances to other funds, although a component of assets, do not represent available spendable resources.

Reserved for Expenditures - Represents the amount of fund balance appropriated to be used for expenditures in the subsequent year budget.

Reserved for Specific Purposes - Represents the amount of fund balance committed for debt service in subsequent years.

18. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute

a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

19. Post-Retirement Health Care

The City provides certain health care benefits for retired employees and will provide benefits to current employees hired prior to January 1, 1991 upon retirement. In order to participate in the City Group Health Insurance Program (the Retiree Group), the employee must be enrolled in the City group plan upon the date of retirement from the City, must be at least age 62 (age 60 with 35 or more years of service), and must be vested in the New Hampshire Retirement System. Any retirees who leave the Retiree Group may not reenter.

Persons who retire from the City with at least ten (10) years of creditable services in the New Hampshire Retirement System but prior to the minimum age 62 must maintain an unbroken participation (at retiree's expense) in the Retiree Group from the effective date of their retirement until qualifying for the City-paid premium benefit in order to become eligible for such City-paid premium benefit at a later date. Persons who have participated in both the City's group health insurance and the New Hampshire State Retirement System for at least 24 consecutive months immediately prior to retirement, but who are not vested in the New Hampshire Retirement System, may also join the Retiree Group at their own expense.

As of June 30, 2003, there were approximately 29 retirees, including eligible spouses, receiving health care benefits. The City recognizes the cost of providing these benefits as paid. These costs totaled \$ 108,733 for the fiscal year ended June 30, 2003.

20. Self-Insurance

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$ 300,000 per incident. The insurer's limit of liability is \$ 3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Net Assets and Claims Liability

The following represents changes in the Workers' Compensation Fund Net Assets and Claims Liability:

	<u>Net Assets</u>	<u>Claims Liability</u>
Balance, July 1, 2002	\$ 53,196	\$ 501,349
Operating revenues	335,808	-
Claims incurred	-	189,746
Operating expenditure	(267,341)	-
Claims paid	<u>-</u>	<u>(300,723)</u>
Balance, June 30, 2003	\$ <u>121,663</u>	\$ <u>390,372</u>

21. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

22. Pension Plan

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute between 5% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A: 16, and range from 3.94% to 5.40% of covered compensation. The City's contributions to the System for the years ended June 30, 2003, 2002 and 2001 were \$ 1,133,880, \$ 1,020,217 and \$ 927,117, respectively, which were equal to its annual

required contributions for each of these years. Employee contributions to the System for the years ended June 30, 2003, 2002 and 2001 were \$ 1,786,910, \$ 1,609,822 and \$ 1,502,795, respectively.

23. Implementation of New GASB Pronouncements

During fiscal year 2003, the following GASB pronouncements were implemented:

- Statement #34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.
- Statement #37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*.
- Statement #38, *Certain Financial Statement Note Disclosures*.

The pronouncements identified above are all related to the new financial reporting requirements as defined in Statement #34. Fiscal year 2003 is the required implementation date. The most significant changes required by the new financial reporting standards are as follows:

- Management's discussion and analysis.
- Basic financial statements, which include:
 - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting.
 - Fund financial statements, consisting of a series of statements that focus on major governmental and enterprise funds.
 - Schedules to reconcile the fund financial statements to the government-wide financial statements.
 - Notes to the basic financial statements.

As a result of implementing these pronouncements, the following restatements have been made to the beginning fund balances:

<u>Fund</u>	Fund Equity June 30, 2002 (As previously reported)	<u>Reclassification</u>	Capitalize Additional Fixed Assets	Fund Equity June 30, 2002 (As Restated)
Special Revenue Fund	\$ 560,263	\$(1,560,263)	\$ -	\$ -
Capital Project Fund	3,254,907	(3,254,907)	-	-
Trust Fund	4,164,795	(4,164,795)	-	-
Enterprise Fund	44,722,940	(44,722,940)	-	-
Water Fund	-	9,053,364	4,623,910	13,677,274
Sewer Fund	-	36,597,724	3,286,866	39,884,590
Arena Fund	-	(598,201)	178,115	(420,086)
DIDA Fund	-	1,084,271	-	1,084,271
Private Purpose Trust Fund	-	500,430	-	500,430
Nonmajor Gov. Funds	-	7,065,317	-	7,065,317

Combining Financial Statements

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Community Development Fund - To account for grant proceeds received from the US Dept. of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and sub-grant expenditures.
- Housing Rehabilitation Loan Fund - To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- Economic Development Loan Fund - To account for loans given to small business for the purpose of business establishment or expansion.
- Police DOJ Fund - To account for grant proceeds from the U.S. Dept. of Justice for various drug and alcohol awareness and prevention programs.
- Police DHA Fund - To account for funds received from the Dover Housing Authority for payment toward funding a Police Office presence at their housing area.
- Police DOT Fund - To account for grant proceeds from the U.S. Dept. of Transportation for various driving safety programs.
- Police Tobacco Fund - To account for grant proceeds for various tobacco awareness and prevention programs.
- Fire Emergency Management Fund - To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- School Cafeteria Fund - To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Dept. of Education and receipt of U.S. Dept. of Agriculture food commodities.
- School Federal Aid Fund - To account for grants received from the U.S. Dept. of Education for various programs supporting School operations.

- School Special Programs Fund - To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- Dover Main Street Fund - To account for the expenditures related to the Main Street Program, reimbursed by the Dover Main Street, Inc.
- Planning Improvements Fund - To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- Parking Activity Fund - To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- Police Special Fund - To account for forfeiture proceeds and special investigative expenditures.
- Conservation Fund - To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- Residential Solid Waste Fund - To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures of residential solid waste pickup and disposal.
- Recreation Programs Fund - To account for the revenue and expenditures of self-supporting recreational programs.
- Recreation Field Maintenance Fund - To account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- Library Fines Fund - To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- Tuition Programs Fund - To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- Vocational Center Fund - To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- School Alternative Education Fund - To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- School Facilities Fund - To account for gate receipts used toward the cost of facility maintenance and upgrades.

- Other Special Revenue Funds - To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Balance Sheet
June 30, 2003**

	Community Development <u>Fund</u>	Housing Rehab <u>Loan Fund</u>	Economic Development <u>Loan Fund</u>	Police DOJ <u>Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	43,213	-	-	35,697
Loans receivable	-	177,532	441,366	-
Due from other funds	-	205,472	142,333	7,148
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>43,213</u>	\$ <u>383,004</u>	\$ <u>583,699</u>	\$ <u>42,845</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 1,172	\$ -	\$ 120,049	\$ 636
Accrued liabilities	4,138	-	-	10,481
Retainage payable	-	-	-	-
Deferred revenue	-	177,532	441,366	-
Due to other funds	37,903	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	43,213	177,532	561,415	11,117
Fund Equity:				
Reserved for encumbrances	179,153	8,144	65	670
Reserved for other purposes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	(179,153)	197,328	22,219	31,058
Capital Projects fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	-	205,472	22,284	31,728
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ <u>43,213</u>	\$ <u>383,004</u>	\$ <u>583,699</u>	\$ <u>42,845</u>

<u>Police DHA Fund</u>	<u>Police DOT Fund</u>	<u>Police Tobacco Fund</u>	<u>Fire Emergency Management Fund</u>	<u>School Cafeteria Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	2,352	-	-	-
-	15,200	12,862	-	25,616
-	-	-	-	-
8,796	-	-	49,737	-
-	-	-	-	23,424
<u>\$ 8,796</u>	<u>\$ 17,552</u>	<u>\$ 12,862</u>	<u>\$ 49,737</u>	<u>\$ 49,040</u>
\$ -	\$ -	\$ 5,244	\$ 1,137	\$ 6,629
1,275	56	473	-	-
-	-	-	-	-
-	-	-	-	-
-	17,764	7,145	-	13,060
1,275	17,820	12,862	1,137	19,689
-	-	(55)	354	-
-	-	-	-	23,424
7,521	(268)	55	48,246	5,927
-	-	-	-	-
<u>7,521</u>	<u>(268)</u>	<u>-</u>	<u>48,600</u>	<u>29,351</u>
<u>\$ 8,796</u>	<u>\$ 17,552</u>	<u>\$ 12,862</u>	<u>\$ 49,737</u>	<u>\$ 49,040</u>

(continued)

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	School Federal Aid Fund	School Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	15,395	7,405	-
Intergovernmental receivables	852,517	66,247	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	202,925
Inventory	-	-	-	-
Total Assets	<u>\$ 852,517</u>	<u>\$ 81,642</u>	<u>\$ 7,405</u>	<u>\$ 202,925</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	1,081	-
Retainage payable	-	-	-	-
Deferred revenue	-	15,853	-	-
Due to other funds	<u>795,972</u>	<u>17,704</u>	<u>6,324</u>	<u>-</u>
Total Liabilities	795,972	33,557	7,405	-
Fund Equity:				
Reserved for encumbrances	64,149	65,942	-	2,007
Reserved for other purposes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	(7,604)	(17,857)	-	200,918
Capital Projects fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>56,545</u>	<u>48,085</u>	<u>-</u>	<u>202,925</u>
Total Liabilities and Fund Equity	<u>\$ 852,517</u>	<u>\$ 81,642</u>	<u>\$ 7,405</u>	<u>\$ 202,925</u>

<u>Parking Activity Fund</u>	<u>Police Special Fund</u>	<u>Conservation Fund</u>	<u>Residential Solid Waste Fund</u>	<u>Recreation Programs Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,419	-	55,296	37,840	-
-	-	-	-	-
-	-	-	-	-
106,900	5,106	720,236	120,569	61,374
-	-	-	17,474	-
<u>\$ 108,319</u>	<u>\$ 5,106</u>	<u>\$ 775,532</u>	<u>\$ 175,883</u>	<u>\$ 61,374</u>
\$ 1,417	\$ -	\$ 16	\$ 18,792	\$ -
3,329	-	-	1,223	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,746</u>	<u>-</u>	<u>16</u>	<u>20,015</u>	<u>-</u>
2,009	-	5,097	61,879	-
-	-	-	-	-
101,564	5,106	770,419	93,989	61,374
-	-	-	-	-
<u>103,573</u>	<u>5,106</u>	<u>775,516</u>	<u>155,868</u>	<u>61,374</u>
<u>\$ 108,319</u>	<u>\$ 5,106</u>	<u>\$ 775,532</u>	<u>\$ 175,883</u>	<u>\$ 61,374</u>

(continued)

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	Recreation Field Maintenance <u>Fund</u>	Library Fines <u>Fund</u>	Tuition Programs <u>Fund</u>	Vocational Center <u>Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	2,369	-
Intergovernmental receivables	-	-	37,638	-
Loans receivable	-	-	-	-
Due from other funds	51,571	32,556	-	1,036
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>51,571</u>	\$ <u>32,556</u>	\$ <u>40,007</u>	\$ <u>1,036</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 2,837	\$ 7,947	\$ -	\$ 250
Accrued liabilities	-	-	-	-
Retainage payable	-	-	-	-
Deferred revenue	-	-	2,369	-
Due to other funds	-	-	43,936	-
	<u>-</u>	<u>-</u>	<u>43,936</u>	<u>-</u>
Total Liabilities	2,837	7,947	46,305	250
Fund Equity:				
Reserved for encumbrances	-	-	-	-
Reserved for other specific purposes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	48,734	24,609	(6,298)	786
Capital Projects fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>48,734</u>	<u>24,609</u>	<u>(6,298)</u>	<u>786</u>
Total Liabilities and Fund Equity	\$ <u>51,571</u>	\$ <u>32,556</u>	\$ <u>40,007</u>	\$ <u>1,036</u>

School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Capital Projects Fund	Total
\$ -	\$ -	\$ 39,644	\$ -	\$ 39,644
-	-	2,111,707	-	2,111,707
7,719	4,090	6,390	-	140,275
-	-	-	-	1,088,990
-	-	-	-	618,898
39,327	58,916	2,886	6,389,776	8,206,664
-	-	-	-	40,898
<u>\$ 47,046</u>	<u>\$ 63,006</u>	<u>\$ 2,160,627</u>	<u>\$ 6,389,776</u>	<u>\$ 12,247,076</u>
\$ 799	\$ 300	\$ 182	\$ 376,475	\$ 543,882
-	-	-	598	22,654
-	-	-	105,512	105,512
-	-	-	-	637,120
-	-	3,199	-	943,007
799	300	3,381	482,585	2,252,175
1,007	4,079	-	1,825,214	2,219,714
-	-	-	-	23,424
45,240	58,627	2,157,246	-	3,669,786
-	-	-	4,081,977	4,081,977
46,247	62,706	2,157,246	5,907,191	9,994,901
<u>\$ 47,046</u>	<u>\$ 63,006</u>	<u>\$ 2,160,627</u>	<u>\$ 6,389,776</u>	<u>\$ 12,247,076</u>

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Equity
For Fiscal Year Ended June 30, 2003**

	Community Development <u>Fund</u>	Housing Rehab <u>Loan Fund</u>	Economic Development <u>Loan Fund</u>	Police DOJ <u>Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	374,131	-	-	372,040
Current services	7,887	85,000	63,519	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	382,018	85,000	63,519	372,040
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	632,903
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	41,393
Human services	309,056	19,539	199,538	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>309,056</u>	<u>19,539</u>	<u>199,538</u>	<u>674,296</u>
Excess (deficiency) of revenues over expenditures	72,962	65,461	(136,019)	(302,256)
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Operating transfers in	-	-	-	258,003
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,003</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	72,962	65,461	(136,019)	(44,253)
Fund Equity, beginning	<u>(72,962)</u>	<u>140,011</u>	<u>158,303</u>	<u>75,981</u>
Fund Equity, ending	\$ <u><u>-</u></u>	\$ <u><u>205,472</u></u>	\$ <u><u>22,284</u></u>	\$ <u><u>31,728</u></u>

<u>Police DHA Fund</u>	<u>Police DOT Fund</u>	<u>Police Tobacco Fund</u>	<u>Fire Emergency Management Fund</u>	<u>School Cafeteria Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
79,143	38,491	149,152	79,325	340,137
-	-	-	-	775,458
-	-	-	-	-
<u>79,143</u>	<u>38,491</u>	<u>149,152</u>	<u>79,325</u>	<u>1,115,595</u>
-	-	-	-	8,551
75,526	28,969	125,728	18,810	-
-	-	-	68,837	-
-	-	-	-	-
-	-	-	4,062	1,078,656
-	-	-	-	-
-	-	-	-	-
<u>75,526</u>	<u>28,969</u>	<u>125,728</u>	<u>91,709</u>	<u>1,087,207</u>
3,617	9,522	23,424	(12,384)	28,388
-	-	-	-	-
9,000	832	-	26,708	-
-	-	-	-	-
<u>9,000</u>	<u>832</u>	<u>-</u>	<u>26,708</u>	<u>-</u>
12,617	10,354	23,424	14,324	28,388
(5,096)	(10,622)	(23,424)	34,276	963
<u>\$ 7,521</u>	<u>\$ (268)</u>	<u>\$ -</u>	<u>\$ 48,600</u>	<u>\$ 29,351</u>

(continued)

(continued)

	School Federal Aid <u>Fund</u>	School Special Programs <u>Fund</u>	Dover Main Street <u>Fund</u>	Planning Improvements <u>Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,897,271	108,502	-	-
Current services	-	-	54,573	75,570
Miscellaneous	<u>-</u>	<u>312,478</u>	<u>-</u>	<u>-</u>
Total Revenues	2,897,271	420,980	54,573	75,570
Expenditures:				
Current:				
General government	-	-	51,417	9,901
Public safety	-	-	-	-
Public works	-	-	-	4,807
Culture and recreation	-	-	-	87
Education	2,841,988	407,190	-	-
Human services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,841,988</u>	<u>407,190</u>	<u>51,417</u>	<u>14,795</u>
Excess (deficiency) of revenues over expenditures	55,283	13,790	3,156	60,775
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	55,283	13,790	3,156	60,775
Fund Equity, beginning	<u>1,262</u>	<u>34,295</u>	<u>(3,156)</u>	<u>142,150</u>
Fund Equity, ending	<u>\$ 56,545</u>	<u>\$ 48,085</u>	<u>\$ -</u>	<u>\$ 202,925</u>

<u>Parking Activity Fund</u>	<u>Police Special Fund</u>	<u>Conservation Fund</u>	<u>Residential Solid Waste Fund</u>	<u>Recreation Programs Fund</u>
\$ -	\$ -	\$ 477,468	\$ -	\$ -
-	-	-	-	-
290,010	2,106	-	682,061	-
-	-	-	-	13,842
<u>290,010</u>	<u>2,106</u>	<u>477,468</u>	<u>682,061</u>	<u>13,842</u>
-	-	346,405	-	-
249,913	(90)	-	-	-
-	-	-	639,659	-
-	-	-	-	6,979
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>249,913</u>	<u>(90)</u>	<u>346,405</u>	<u>639,659</u>	<u>6,979</u>
40,097	2,196	131,063	42,402	6,863
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
40,097	2,196	131,063	42,402	6,863
63,476	2,910	644,453	113,466	54,511
<u>63,476</u>	<u>2,910</u>	<u>644,453</u>	<u>113,466</u>	<u>54,511</u>
\$ <u><u>103,573</u></u>	\$ <u><u>5,106</u></u>	\$ <u><u>775,516</u></u>	\$ <u><u>155,868</u></u>	\$ <u><u>61,374</u></u>

(continued)

(continued)

	Recreation Field Maintenance <u>Fund</u>	Library Fines <u>Fund</u>	Tuition Programs <u>Fund</u>	Vocational Center <u>Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Current services	24,180	52,020	359,753	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	24,180	52,020	359,753	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	672	-	-	-
Culture and recreation	2,837	43,234	-	-
Education	-	-	368,318	1,650
Human services	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,509</u>	<u>43,234</u>	<u>368,318</u>	<u>1,650</u>
Excess (deficiency) of revenues over expenditures	20,671	8,786	(8,565)	(1,650)
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	20,671	8,786	(8,565)	(1,650)
Fund Equity, beginning	<u>28,063</u>	<u>15,823</u>	<u>2,267</u>	<u>2,436</u>
Fund Equity, ending	\$ <u>48,734</u>	\$ <u>24,609</u>	\$ <u>(6,298)</u>	\$ <u>786</u>

School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Capital Projects Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 477,468
160,336	-	14,490	500,945	5,113,963
18,719	94,891	58,589	217,625	2,861,961
<u>-</u>	<u>-</u>	<u>233,513</u>	<u>22,737</u>	<u>582,570</u>
179,055	94,891	306,592	741,307	9,035,962
-	-	-	-	416,274
-	-	36,798	-	1,168,557
-	-	113,004	-	826,979
-	-	-	-	53,137
572,594	127,276	-	-	5,443,127
-	-	-	-	528,133
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,471,290</u>	<u>7,471,290</u>
<u>572,594</u>	<u>127,276</u>	<u>149,802</u>	<u>7,471,290</u>	<u>15,907,497</u>
(393,539)	(32,385)	156,790	(6,729,983)	(6,871,535)
-	-	-	9,159,000	9,159,000
374,000	-	3,105	223,266	894,914
<u>-</u>	<u>-</u>	<u>(252,795)</u>	<u>-</u>	<u>(252,795)</u>
<u>374,000</u>	<u>-</u>	<u>(249,690)</u>	<u>9,382,266</u>	<u>9,801,119</u>
(19,539)	(32,385)	(92,900)	2,652,283	2,929,584
<u>65,786</u>	<u>95,091</u>	<u>2,250,146</u>	<u>3,254,908</u>	<u>7,065,317</u>
\$ <u><u>46,247</u></u>	\$ <u><u>62,706</u></u>	\$ <u><u>2,157,246</u></u>	\$ <u><u>5,907,191</u></u>	\$ <u><u>9,994,901</u></u>

Detail and Combining Budget and Actual Statements

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget - Favorable (Unfavorable)</u>
<u>Taxes</u>				
Property taxes	\$ 38,310,525	\$ 38,310,525	\$ 38,378,894	\$ 68,369
Excavation tax	-	-	10,143	10,143
Boat tax	15,000	15,000	22,759	7,759
Yield tax	2,000	2,000	4,945	2,945
Payment in lieu of taxes	50,000	50,000	71,298	21,298
Activity tax	35,800	35,800	-	(35,800)
National Bank stock tax	10	10	-	(10)
Tax interest and penalties	<u>200,000</u>	<u>200,000</u>	<u>194,653</u>	<u>(5,347)</u>
Total Taxes	38,613,335	38,613,335	38,682,692	69,357
<u>Licenses and Permits</u>				
Health licenses and permits	15,000	15,000	13,415	(1,585)
Building permits	170,000	170,000	229,552	59,552
Peddlers and vendors licenses	840	840	930	90
Motor vehicle permits	3,200,000	3,500,000	3,719,694	219,694
Electrical permits	45,000	45,000	44,757	(243)
Plumbing permits	25,000	25,000	33,564	8,564
Trailer park permits	175	175	150	(25)
Dog licenses	10,344	10,344	15,639	5,295
Marriage license fees	2,184	2,184	1,932	(252)
Birth, death and marriage certificates	22,215	22,215	21,919	(296)
Miscellaneous licenses and permits	7,050	7,050	12,344	5,294
Taxi licenses	1,165	1,165	1,065	(100)
Video and arcade licenses	<u>1,460</u>	<u>1,460</u>	<u>1,260</u>	<u>(200)</u>
Total Licenses and Permits	3,500,433	3,800,433	4,096,221	295,788
<u>Intergovernmental</u>				
Shared revenue block grant	600,243	600,243	600,243	-
Railroad tax	5,897	5,897	5,897	-
Rooms and meals distribution	782,060	782,060	782,060	-
Federal grant reimbursement	5,000	5,000	14,349	9,349
State reimbursement	34,584	52,395	71,185	18,790
Miscellaneous Intergovernmental	-	-	3,988	3,988
Highway block grant	<u>422,046</u>	<u>422,046</u>	<u>437,035</u>	<u>14,989</u>
Total Intergovernmental	1,849,830	1,867,641	1,914,757	47,116
<u>Current Services</u>				
Sales and service charges	161,995	161,995	146,458	(15,537)
Copy sales	400	400	1,445	1,045
Vending machine charges	8,700	8,700	6,368	(2,332)
Commissions	228	228	147	(81)
Outside services	<u>113,916</u>	<u>113,916</u>	<u>133,475</u>	<u>19,559</u>

(Continued)

(Continued)

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual (Budgetary Basis)</u>	
Ambulance services	350,000	350,000	427,527	77,527
Interment charges	38,200	38,200	31,400	(6,800)
Headstone foundations	5,000	5,000	7,279	2,279
Recreation charges	171,353	171,353	168,925	(2,428)
Non-resident charges	17,520	17,520	19,095	1,575
Department overhead allocations	167,490	167,490	154,033	(13,457)
Miscellaneous service charges	<u>24,671</u>	<u>24,671</u>	<u>28,147</u>	<u>3,476</u>
Total Current Services	1,059,473	1,059,473	1,124,299	64,826
<u>Education</u>				
Education revenue	<u>11,731,122</u>	<u>11,731,122</u>	<u>11,740,906</u>	<u>9,784</u>
Total Education Income	11,731,122	11,731,122	11,740,906	9,784
<u>Miscellaneous</u>				
Miscellaneous revenue	12,200	12,200	58,857	46,657
District court receipts	25,000	25,000	27,497	2,497
Miscellaneous fines and forfeits	12,320	12,320	12,898	578
Sale of city property	30,884	30,884	50,490	19,606
Fundraising	4,100	4,100	2,395	(1,705)
Variances	-	-	647	647
Investment income	300,000	300,000	185,906	(114,094)
Facilities rental	105,336	105,336	133,801	28,465
Insurance Proceeds	-	-	3,195	3,195
Interest on Arrears	-	-	447	447
Equipment rental	<u>3,135</u>	<u>3,135</u>	<u>2,069</u>	<u>(1,066)</u>
Total Miscellaneous	492,975	492,975	478,202	(14,773)
<u>Other Financing Sources</u>				
Operating transfers in	<u>32,000</u>	<u>32,000</u>	<u>49,595</u>	<u>17,595</u>
Total Other Financing Sources	<u>32,000</u>	<u>32,000</u>	<u>49,595</u>	<u>17,595</u>
Total Revenues and Other Financing Sources	<u>\$ 57,279,168</u>	<u>\$ 57,596,979</u>	<u>\$ 58,086,672</u>	<u>\$ 489,693</u>

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Favorable (Unfavorable)
<u>General Government</u>				
City Council	\$ 154,349	\$ 154,349	\$ 144,835	\$ 9,514
Executive	928,532	931,532	930,310	1,222
Finance	912,917	912,917	908,354	4,563
Planning	585,449	633,866	632,885	981
Miscellaneous	701,586	801,724	800,710	1,014
Total General Government	3,282,833	3,434,388	3,417,094	17,294
<u>Public Safety</u>				
Police	4,800,088	4,798,818	4,756,118	42,700
Fire and rescue	3,863,585	3,863,585	3,853,754	9,831
Total Public Safety	8,663,673	8,662,403	8,609,872	52,531
<u>Public Works</u>				
Community Services - Public Works	3,758,211	3,953,855	3,898,641	55,214
Total Public Works	3,758,211	3,953,855	3,898,641	55,214
<u>Culture and Recreation</u>				
Community Services - Recreation	1,153,205	1,070,685	1,039,652	31,033
Public Library	939,966	939,966	918,719	21,247
Total Culture and Recreation	2,093,171	2,010,651	1,958,371	52,280
<u>Human Services</u>				
Human Services	591,545	657,915	655,030	2,885
Total Human Services	591,545	657,915	655,030	2,885

(Continued)

(Continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<u>Education</u>				
School department	<u>29,751,613</u>	<u>29,851,613</u>	<u>29,825,786</u>	<u>25,827</u>
Total Education	29,751,613	29,851,613	29,825,786	25,827
<u>Debt Service</u>				
Principal	3,977,237	3,977,237	3,977,237	-
Interest	<u>1,715,640</u>	<u>1,603,671</u>	<u>1,524,218</u>	<u>79,453</u>
Total Debt Service	5,692,877	5,580,908	5,501,455	79,453
<u>Intergovernmental</u>				
County tax	<u>3,695,245</u>	<u>3,695,246</u>	<u>3,695,246</u>	<u>-</u>
Total Intergovernmental	<u>3,695,245</u>	<u>3,695,246</u>	<u>3,695,246</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 57,529,168</u>	<u>\$ 57,846,979</u>	<u>\$ 57,561,495</u>	<u>\$ 285,484</u>

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

	Parking Activity		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 114,200	\$ 130,197	\$ 15,997
Intergovernmental	-	-	-
Miscellaneous	<u>158,663</u>	<u>159,813</u>	<u>1,150</u>
Total Revenues	272,863	290,010	17,147
Expenditures:			
Public safety	272,863	250,289	22,574
Education	-	-	-
Public works	-	-	-
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>272,863</u>	<u>250,289</u>	<u>22,574</u>
Other Financing Sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditure:	\$ <u>-</u>	\$ <u>39,721</u>	\$ <u>39,721</u>

Residential Solid Waste		
<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
\$ 704,639	\$ 679,631	\$ (25,008)
-	-	-
<u>-</u>	<u>2,431</u>	<u>2,431</u>
704,639	682,062	(22,577)
-	-	-
-	-	-
704,639	686,026	18,613
<u>-</u>	<u>-</u>	<u>-</u>
<u>704,639</u>	<u>686,026</u>	<u>18,613</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>-</u></u>	\$ <u><u>(3,964)</u></u>	\$ <u><u>(3,964)</u></u>

(Continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

(Continued)

	Library Fines		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Miscellaneous revenue	<u>28,000</u>	<u>35,125</u>	<u>7,125</u>
Total Revenues	28,000	35,125	7,125
Expenditures:			
Public safety	-	-	-
Education	-	-	-
Public works	-	-	-
Culture and recreation	<u>28,000</u>	<u>27,524</u>	<u>476</u>
Total Expenditures	<u>28,000</u>	<u>27,524</u>	<u>476</u>
Other Financing Sources:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditure:	\$ <u><u>-</u></u>	\$ <u><u>7,601</u></u>	\$ <u><u>7,601</u></u>

Tuition Programs		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
\$ 158,000	\$ 13,844	\$ (144,156)
-	345,911	345,911
-	-	-
158,000	359,755	201,755
-	-	-
158,000	368,318	(210,318)
-	-	-
-	-	-
158,000	368,318	(210,318)
-	-	-
-	-	-
\$ -	\$ (8,563)	\$ (8,563)

(Continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2003

(Continued)

	School Alternative Education		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 198,000	\$ 18,719	\$ (179,281)
Intergovernmental	-	160,336	160,336
Miscellaneous	-	-	-
Total Revenues	198,000	179,055	(18,945)
Expenditures:			
Public safety	-	-	-
Education	572,000	573,601	(1,601)
Public works	-	-	-
Culture and recreation	-	-	-
Total Expenditures	572,000	573,601	(1,601)
Other Financing Sources:			
Transfers in	374,000	374,000	-
Total Other Financing Sources	374,000	374,000	-
Excess of revenues and other financing sources over (under) expenditure:	\$ -	\$ (20,546)	\$ (20,546)

School Facilities			Totals		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
\$ 15,000	\$ 22,431	\$ 7,431	\$ 1,189,839	\$ 864,822	\$ (325,017)
-	-	-	-	506,247	506,247
<u>55,000</u>	<u>72,459</u>	<u>17,459</u>	<u>241,663</u>	<u>269,828</u>	<u>28,165</u>
70,000	94,890	24,890	1,431,502	1,640,897	209,395
-	-	-	272,863	250,289	22,574
70,000	131,353	(61,353)	800,000	1,073,272	(273,272)
-	-	-	704,639	686,026	18,613
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>27,524</u>	<u>476</u>
<u>70,000</u>	<u>131,353</u>	<u>(61,353)</u>	<u>1,805,502</u>	<u>2,037,111</u>	<u>(231,609)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>374,000</u>	<u>374,000</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>374,000</u>	<u>374,000</u>	<u>-</u>
\$ <u>-</u>	\$ <u>(36,463)</u>	\$ <u>(36,463)</u>	\$ <u>-</u>	\$ <u>(22,214)</u>	\$ <u>(22,214)</u>

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**Capital Assets Used in the Operation
of Governmental Funds**

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Changes in Capital Assets by Source

For the Year Ended June 30, 2003

	Capital Assets <u>July 1, 2002</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Deletions</u>	Capital Assets <u>June 30, 2003</u>
Land	\$ 10,334,059	\$ -	\$ -	\$ -	\$ 10,334,060
Buildings and improvements	36,042,878	3,900,247	(1,260,129)	-	38,682,996
Machines, equipment and furnishings	12,485,495	639,859	(1,365,114)	(25,000)	11,735,240
Infrastructure	15,702,380	3,075,139	(1,491,243)	-	17,286,275
Construction in process	<u>12,545,492</u>	<u>2,596,800</u>	<u>-</u>	<u>(4,107,561)</u>	<u>11,034,731</u>
Total Capital Assets	\$ <u>87,110,304</u>	\$ <u>10,212,045</u>	\$ <u>(4,116,486)</u>	\$ <u>(4,132,561)</u>	\$ <u>89,073,302</u>
Investments in Capital Assets	\$ <u>87,110,304</u>	\$ <u>10,212,045</u>	\$ <u>(4,116,486)</u>	\$ <u>(4,132,561)</u>	\$ <u>89,073,302</u>

Substantially all Capital Assets were funded by the general fund.

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2003

	General Fixed Assets <u>July 1, 2002</u>	Net Additions	Depreciation	General Fixed Assets <u>June 30, 2003</u>
General Government:				
City council	\$ 35,973	\$ -	\$ 2,056	\$ 33,917
Executive	67,009	34,500	8,016	93,493
Finance	123,451	-	7,054	116,397
Planning	150,706	-	3,178	147,528
Miscellaneous	158,480	10,000	-	168,480
Total General Government	<u>535,619</u>	<u>44,500</u>	<u>20,304</u>	<u>559,815</u>
Public Safety:				
Police	743,487	346,498	127,050	962,935
Fire	2,042,300	36,830	633,094	1,446,036
Total Public Safety	<u>2,785,787</u>	<u>383,328</u>	<u>760,144</u>	<u>2,408,971</u>
Public Works:				
Community Services-Public Works	44,239,145	1,544,484	819,324	44,964,305
Total Public Works	<u>44,239,145</u>	<u>1,544,484</u>	<u>819,324</u>	<u>44,964,305</u>
Education:				
School department	34,002,952	3,669,455	1,879,669	35,792,738
Total Education	<u>34,002,952</u>	<u>3,669,455</u>	<u>1,879,669</u>	<u>35,792,738</u>
Human services:				
Human services	17,986	-	1,028	16,958
Total Human services	<u>17,986</u>	<u>-</u>	<u>1,028</u>	<u>16,958</u>
Culture and Recreation:				
Public library	2,085,064	91,593	442,806	1,733,851
Recreation	3,443,900	346,177	193,413	3,596,664
Total Culture and Recreation	<u>5,528,964</u>	<u>437,770</u>	<u>636,219</u>	<u>5,330,515</u>
Total Capital Assets	<u>\$ 87,110,453</u>	<u>\$ 6,079,537</u>	<u>\$ 4,116,688</u>	<u>\$ 89,073,302</u>

CITY OF DOVER, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Activity

June 30, 2003

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery, Equipment and Furnishings</u>
General Government:			
City council	\$ -	\$ -	\$ 33,917
Executive	-	-	93,493
Finance	-	-	116,397
Planning	-	42,397	105,131
Miscellaneous	-	-	-
Total General Government	<u>-</u>	<u>42,397</u>	<u>348,938</u>
Public Safety:			
Police	-	119,628	843,307
Fire	-	427,127	982,184
Total Public Safety	<u>-</u>	<u>546,755</u>	<u>1,825,491</u>
Public Works:			
Community Services-Public Works	10,334,059	7,545,288	1,181,726
Total Public Works	<u>10,334,059</u>	<u>7,545,288</u>	<u>1,181,726</u>
Education:			
School department	-	27,503,830	7,212,857
Total Education	<u>-</u>	<u>27,503,830</u>	<u>7,212,857</u>
Human Services:			
Human services	-	-	16,958
Total Human Services	<u>-</u>	<u>-</u>	<u>16,958</u>
Culture and Recreation:			
Public library	-	868,145	865,706
Recreation	-	2,176,581	283,564
Total Culture and Recreation	<u>-</u>	<u>3,044,726</u>	<u>1,149,270</u>
Total Capital Assets	<u>\$ 10,334,059</u>	<u>\$ 38,682,996</u>	<u>\$ 11,735,240</u>

<u>Infra- Structure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ -	\$ 33,917
-	-	93,493
-	-	116,397
-	-	147,528
-	168,480	168,480
<u>-</u>	<u>168,480</u>	<u>559,815</u>
-	-	962,935
-	36,725	1,446,036
<u>-</u>	<u>36,725</u>	<u>2,408,971</u>
16,996,049	8,907,183	44,964,305
<u>16,996,049</u>	<u>8,907,183</u>	<u>44,964,305</u>
234,870	841,181	35,792,738
<u>234,870</u>	<u>841,181</u>	<u>35,792,738</u>
-	-	16,958
<u>-</u>	<u>-</u>	<u>16,958</u>
-	-	1,733,851
55,357	1,081,162	3,596,664
<u>55,357</u>	<u>1,081,162</u>	<u>5,330,515</u>
\$ <u><u>17,286,276</u></u>	\$ <u><u>11,034,731</u></u>	\$ <u><u>89,073,302</u></u>

Proprietary (Enterprise) Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

Arena Fund: To account for the operations of the Dover Ice Arena.

DIDA Fund: To account for the operations of the Dover Industrial Development Authority. No budget was adopted for the DIDA fund in fiscal year 2003.

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

		Water Fund	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Operating Revenues:			
Operating revenue	\$ 2,302,187	\$ 2,680,350	\$ 378,163
Other	<u>21,000</u>	<u>27,478</u>	<u>6,478</u>
Total Operating Revenues	2,323,187	2,707,828	384,641
Operating Expenses:			
Personnel services	906,826	953,028	(46,202)
Supplies and materials	189,411	198,718	(9,307)
Charges and services	251,310	257,304	(5,994)
Utilities	219,000	204,340	14,660
Debt service	360,000	360,000	-
Capital outlay	<u>41,097</u>	<u>8,751</u>	<u>32,346</u>
Total Operating Expenses	<u>1,967,644</u>	<u>1,982,141</u>	<u>(14,497)</u>
Operating Income (Loss)	355,543	725,687	370,144
Non-Operating Income (Expenses):			
Interest expense	(258,693)	(213,516)	45,177
Intergovernmental	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total Non-Operating Income (Expenses)	<u>(255,693)</u>	<u>(213,516)</u>	<u>42,177</u>
Net Income (Loss Before Operating Transfers	99,850	512,171	412,321
Operating Transfers In (Out):			
Transfers in	24,000	24,000	-
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>(76,000)</u>	<u>(76,000)</u>	<u>-</u>
Net Income (Loss)	\$ <u>23,850</u>	\$ <u>436,171</u>	\$ <u>412,321</u>

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

		Sewer Fund	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Operating Revenues:			
Operating revenue	\$ 3,126,205	\$ 3,449,213	\$ 323,008
Other	<u>19,060</u>	<u>179,928</u>	<u>160,868</u>
Total Operating Revenues	3,145,265	3,629,141	483,876
Operating Expenses:			
Personnel services	971,259	946,451	24,808
Supplies and materials	471,079	367,713	103,366
Charges and services	314,220	361,497	(47,277)
Utilities	369,992	312,720	57,272
Debt service	360,000	360,000	-
Capital outlay	<u>149,406</u>	<u>128,614</u>	<u>20,792</u>
Total Operating Expenses	<u>2,635,956</u>	<u>2,476,995</u>	<u>158,961</u>
Operating Income (Loss)	509,309	1,152,146	642,837
Non-Operating Income (Expenses):			
Interest expense	(890,964)	(792,958)	98,006
Intergovernmental	<u>512,554</u>	<u>512,554</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(378,410)</u>	<u>(280,404)</u>	<u>98,006</u>
Net Income (Loss Before Operating Transfers	130,899	871,742	740,843
Operating Transfers In (Out):			
Transfers in	24,000	24,000	-
Transfers out	<u>(314,524)</u>	<u>(314,524)</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>(290,524)</u>	<u>(290,524)</u>	<u>-</u>
Net Income (Loss)	\$ <u><u>(159,625)</u></u>	\$ <u><u>581,218</u></u>	\$ <u><u>740,843</u></u>

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2003

		Arena Fund	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Operating Revenues:			
Operating revenue	\$ 916,278	\$ 750,528	\$ (165,750)
Other	<u>25,500</u>	<u>26,920</u>	<u>1,420</u>
Total Operating Revenues	941,778	777,448	(164,330)
Operating Expenses:			
Personnel services	406,452	419,123	(12,671)
Supplies and materials	25,070	40,284	(15,214)
Charges and services	68,615	86,045	(17,430)
Utilities	228,518	268,306	(39,788)
Debt service	144,000	144,000	-
Capital outlay	<u>1,990</u>	<u>(9,753)</u>	<u>11,743</u>
Total Operating Expenses	<u>874,645</u>	<u>948,005</u>	<u>(73,360)</u>
Operating Income (Loss)	67,133	(170,557)	(237,690)
Non-Operating Income (Expenses):			
Interest expense	(168,070)	(193,268)	(25,198)
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(168,070)</u>	<u>(193,268)</u>	<u>(25,198)</u>
Net Income (Loss Before Operating Transfers	(100,937)	(363,825)	(262,888)
Operating Transfers In (Out):			
Transfers in	100,000	-	(100,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net Income (Loss)	\$ <u><u>(937)</u></u>	\$ <u><u>(363,825)</u></u>	\$ <u><u>(362,888)</u></u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- **Performance Bonds:** To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the required.
- **Chamber of Commerce:** To account for funds received from Chamber of Commerce for its Riverwalk Project.
- **Department Agency:** To account for funds received from other organizations for activities administered by various City departments.
- **School Agency:** To account for funds received from other organizations for activities administered by the Dover School Department.

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

Combining Balance Sheet

June 30, 2003

	<u>Performance Deposits</u>	<u>Chamber of Commerce</u>	<u>Department Agency</u>	<u>School Agency</u>	<u>Total</u>
<u>ASSETS</u>					
Due from other funds	\$ <u>542,166</u>	\$ <u>3,083</u>	\$ <u>18,300</u>	\$ <u>10,206</u>	\$ <u>573,755</u>
Total Assets	\$ <u><u>542,166</u></u>	\$ <u><u>3,083</u></u>	\$ <u><u>18,300</u></u>	\$ <u><u>10,206</u></u>	\$ <u><u>573,755</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts payable	\$ <u>542,166</u>	\$ <u>3,083</u>	\$ <u>18,300</u>	\$ <u>10,206</u>	\$ <u>573,755</u>
Total Liabilities	\$ <u><u>542,166</u></u>	\$ <u><u>3,083</u></u>	\$ <u><u>18,300</u></u>	\$ <u><u>10,206</u></u>	\$ <u><u>573,755</u></u>

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STATISTICAL SECTION

CITY OF DOVER, NEW HAMPSHIRE
GOVERNMENT-WIDE EXPENSES BY FUNCTION
(in thousands)

<u>Fiscal Year</u>	<u>Governmental Activities</u>										<u>Business-Type Activities</u>					<u>Total</u>
	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Culture and Recreation</u>	<u>Education</u>	<u>Human Services</u>	<u>Intergovern- mental</u>	<u>Interest</u>	<u>Misc.</u>	<u>Subtotal</u>	<u>Water Services</u>	<u>Sewer Services</u>	<u>Arena Services</u>	<u>DIDA</u>	<u>Subtotal</u>	
2003	\$ 3,746	\$ 9,713	\$ 7,996	\$ 2,985	\$ 36,503	\$ 630	\$ 3,695	\$ 1,493	\$ 319	\$ 67,080	\$ 2,326	\$ 4,328	\$ 1,151	\$ 7	\$ 7,812	\$ 74,892

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENT-WIDE REVENUES
(in thousands)

Fiscal Year	Governmental Activities									Business-Type Activities				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Motor Vehicle Taxes	Penalties interest & other taxes	Investment Income	Other Revenues & Transfers	Subtotal	Charges for Services	Capital Grants and Contributions	Investment Income & Transfers	Subtotal	
2003	\$ 13,057	\$ 9,117	\$ 1,692	\$ 38,970	\$ 3,720	\$ 196	\$ 244	\$ 238	\$ 67,234	\$ 8,139	\$ 513	\$ (3)	\$ 8,649	\$ 75,883

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

City of Dover, New Hampshire

General Government Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Culture & Recreation	Education	Human Services	Intergovernmental	Debt Service	Transfers Out	Total
2003	\$ 3,362,579	\$ 9,669,513	\$ 5,278,346	\$ 2,026,355	\$ 34,643,006	\$ 1,181,469	\$ 3,695,246	\$ 5,522,705	\$ 929,985	\$ 66,309,204
2002	3,049,278	9,016,550	4,158,668	1,969,556	31,382,245	1,141,594	3,666,619	5,707,171	412,588	60,504,269
2001	2,957,861	8,516,843	4,264,705	1,891,421	27,151,429	1,617,411	2,855,108	4,451,136	537,110	54,243,024
2000	2,752,678	7,931,994	3,685,294	1,733,286	24,750,933	1,109,990	2,824,052	3,395,021	325,193	48,508,441
1999	2,220,952	7,027,867	3,674,158	1,569,064	22,553,697	1,050,727	2,729,400	2,854,416	244,571	43,924,852
1998	2,018,075	6,953,254	3,479,659	1,449,134	21,342,687	1,397,457	2,741,840	2,797,847	-	42,179,953
1997	2,190,035	6,242,617	3,317,729	1,367,155	20,751,169	1,329,668	2,463,777	2,478,096	377,040	40,517,286
1996	2,113,726	6,082,111	3,379,036	1,236,780	20,120,591	750,569	2,496,169	2,374,959	668,709	39,222,650
1995	2,005,659	5,888,360	2,466,391	1,843,913	19,296,315	783,781	2,422,702	2,185,941	932,593	37,825,655
1994	1,926,988	5,454,928	2,787,977	1,418,809	18,254,782	848,560	2,432,442	2,117,707	887,338	36,129,531

Includes general and special revenue funds

General Fund Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Culture & Recreation	Education	Human Services	Intergovernmental	Debt Service	Transfers Out	Total
2003	\$ 2,946,305	\$ 8,500,956	\$ 4,451,367	\$ 1,973,218	\$ 29,199,879	\$ 653,336	\$ 3,695,246	\$ 5,522,705	\$ 677,190	\$ 57,620,202
2002	3,007,590	7,762,936	3,538,122	1,926,516	27,208,695	550,038	3,666,619	5,707,171	412,588	53,780,275
2001	2,942,239	7,364,837	3,572,785	1,863,347	24,203,905	446,689	2,855,108	4,451,136	439,751	48,139,797
2000	2,752,678	6,917,061	3,169,586	1,682,017	21,760,597	414,116	2,824,052	3,395,021	321,193	43,236,321
1999	2,220,952	6,387,607	3,156,441	1,498,600	19,729,818	425,516	2,729,400	2,854,416	240,571	39,243,321
1998	2,018,075	6,237,944	3,007,741	1,401,167	18,732,972	396,391	2,741,840	2,797,847	-	37,333,977
1997	2,190,035	5,607,494	2,830,860	1,277,831	18,248,537	362,215	2,463,777	2,478,096	377,040	35,835,885
1996	2,113,726	5,451,752	2,905,446	1,169,288	17,880,332	358,161	2,496,169	2,374,959	614,523	35,364,356
1995	2,005,659	5,387,697	1,979,342	1,779,941	17,330,125	339,022	2,422,702	2,185,941	837,126	34,267,555
1994	1,926,988	5,099,626	2,315,536	1,391,693	16,599,102	348,951	2,432,442	2,117,707	878,468	33,110,513

Special Revenue Fund Expenditures and Other Financing Uses by Function Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Culture & Recreation	Education	Human Services	Intergovernmental	Debt Service	Transfers Out	Total
2003	\$ 416,274	\$ 1,168,557	\$ 826,979	\$ 53,137	\$ 5,443,127	\$ 528,133	\$ -	\$ -	\$ 252,795	\$ 8,689,002
2002	41,688	1,253,614	620,546	43,040	4,173,550	591,556	-	-	-	6,723,994
2001	15,622	1,152,006	691,920	28,074	2,947,524	1,170,722	-	-	97,359	6,103,227
2000	-	1,014,933	515,708	51,269	2,990,336	695,874	-	-	4,000	5,272,120
1999	-	640,260	517,717	70,464	2,823,879	625,211	-	-	4,000	4,681,531
1998	-	715,310	471,918	47,967	2,609,715	1,001,066	-	-	-	4,845,976
1997	-	635,123	486,869	89,324	2,502,632	967,453	-	-	-	4,681,401
1996	-	630,359	473,590	67,492	2,240,259	392,408	-	-	54,186	3,858,294
1995	-	500,663	487,049	63,972	1,966,190	444,759	-	-	95,467	3,558,100
1994	-	355,302	472,441	27,116	1,655,680	499,609	-	-	8,870	3,019,018

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

General Government Revenues and Other Financing Sources by Source Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Current Services	Education	Misc. Revenue	Transfers In	Total
2003	\$39,127,067	\$ 4,096,208	\$ 7,028,720	\$ 3,986,260	\$11,740,906	\$ 1,060,772	\$ 302,390	\$ 67,342,324
2002	35,759,199	3,944,619	5,805,035	2,657,774	11,003,650	1,302,185	404,685	60,877,147
2001	32,105,887	3,686,246	5,067,062	2,670,537	9,333,811	1,734,335	347,751	54,945,629
2000	29,376,946	3,344,023	4,820,080	2,409,432	8,823,894	1,455,468	257,193	50,487,036
1999	29,211,331	3,005,048	4,179,719	2,454,321	4,446,561	1,181,587	415,963	44,894,530
1998	27,475,883	2,842,129	4,242,310	2,296,463	4,174,750	1,681,735	36,435	42,749,704
1997	27,896,396	2,549,240	4,399,608	2,245,852	3,668,590	995,846	32,000	41,787,532
1996	26,315,269	2,237,778	3,389,045	2,018,643	3,537,781	924,859	230,864	38,654,239
1995	26,391,122	2,021,879	3,281,189	2,014,379	3,387,533	1,076,390	200,393	38,372,885
1994	26,795,175	1,788,372	2,915,002	1,639,332	3,799,977	735,036	74,578	37,747,472

Includes general and special revenue funds

General Fund Revenues and Other Financing Sources by Source Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Current Services	Education	Misc. Revenue	Transfers In	Total
2003	\$38,649,599	\$ 4,096,208	\$ 1,914,757	\$ 1,124,299	\$11,740,906	\$ 478,202	\$ 49,595	\$ 58,053,566
2002	35,585,882	3,944,619	1,766,065	1,030,036	10,758,527	680,805	32,000	53,797,934
2001	31,853,179	3,686,246	1,675,881	1,054,940	9,333,811	1,093,938	32,000	48,729,995
2000	29,141,018	3,344,023	1,610,534	954,790	8,823,894	963,059	36,000	44,873,318
1999	29,211,331	3,005,048	1,546,811	1,000,878	4,446,561	620,461	261,000	40,092,090
1998	27,475,883	2,842,129	1,426,647	945,757	4,174,750	628,469	36,435	37,530,069
1997	27,896,396	2,549,240	1,324,304	912,380	3,668,590	662,810	32,000	37,045,720
1996	26,315,269	2,237,778	1,354,223	742,904	3,537,781	606,134	104,899	34,898,988
1995	26,391,122	2,021,879	1,527,973	750,908	3,385,740	698,300	116,200	34,892,122
1994	26,795,175	1,788,372	1,246,896	613,351	3,742,318	480,908	34,000	34,701,020

Special Revenue Fund Revenues and Other Financing Sources by Source Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Intergovernmental	Current Services	Education	Misc. Revenue	Transfers In	Total
2003	\$ 477,468	\$ -	\$ 5,113,963	\$ 2,861,961	\$ -	\$ 582,570	\$ 252,795	\$ 9,288,757
2002	173,317	-	4,038,970	1,627,738	245,123	621,380	372,685	7,079,213
2001	252,708	-	3,391,181	1,615,597	-	640,397	315,751	6,215,634
2000	235,928	-	3,209,546	1,454,642	-	492,409	221,193	5,613,718
1999	-	-	2,632,908	1,453,443	-	561,126	154,963	4,802,440
1998	-	-	2,815,663	1,350,706	-	1,053,266	-	5,219,635
1997	-	-	3,075,304	1,333,472	-	333,036	-	4,741,812
1996	-	-	2,034,822	1,275,739	-	318,725	125,965	3,755,251
1995	-	-	1,753,216	1,263,471	1,793	378,090	84,193	3,480,763
1994	-	-	1,668,106	1,025,981	57,659	254,128	40,578	3,046,452

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Resident Tax (1)	Current Use	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Activity Tax (2)	Tax Interest & Penalties	Total
2003	\$ 38,345,800	\$ -	\$ 475,838	\$ 22,759	\$ 4,945	\$ 71,298	\$ 10,143	\$ -	\$ 196,283	\$ 39,127,067
2002	35,273,175	-	162,276	23,328	3,279	99,639	13,953	-	183,548	35,759,198
2001	31,494,896	-	250,246	20,745	765	90,005	10,459	35,085	203,687	32,105,886
2000	28,596,237	-	341,124	21,473	19,047	93,506	10,743	39,410	255,406	29,376,946
1999	28,702,711	-	119,434	21,209	9,341	86,259	6,371	35,464	230,542	29,211,331
1998	27,013,636	-	80,986	-	3,598	94,715	-	19,938	263,009	27,475,882
1997	27,277,050	-	132,826	15,962	6,325	41,213	-	-	423,020	27,896,396
1996	25,780,647	-	46,988	16,490	10,850	41,449	-	-	418,844	26,315,269
1995	25,750,377	-	26,896	13,560	2,816	38,562	-	-	558,911	26,391,122
1994	25,769,847	156,880	2,000	14,389	1,469	54,686	-	-	795,903	26,795,174

Data Source

Audited Internal Financial Statements

Notes:

- (1) Resident Tax was eliminated by vote of the City Council for FY 1995 on.
- (2) Activity tax was ruled unconstitutional by N.H. Supreme Court.

City of Dover, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Property Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2003	\$ 38,378,893	\$ 36,736,460	95.7%	\$ 1,485,217	\$ 38,221,677	99.6%	\$ 2,018,145	5.3%
2002	35,301,454	33,862,981	95.9%	1,309,686	35,172,667	99.6%	1,833,929	5.2%
2001	31,525,308	30,190,566	95.8%	1,279,249	31,469,815	99.8%	1,705,142	5.4%
2000	28,514,086	27,305,905	95.8%	1,616,951	28,922,856	101.4%	1,649,649	5.8%
1999	28,513,295	27,184,820	95.3%	1,463,754	28,648,574	100.5%	1,858,419	6.5%
1998	27,295,037	25,825,560	94.6%	1,699,881	27,525,441	100.8%	1,993,698	7.3%
1997	26,448,046	24,902,283	94.2%	2,350,486	27,252,769	103.0%	2,224,102	8.4%
1996	25,592,819	23,530,842	91.9%	2,491,135	26,021,977	101.7%	3,028,825	11.8%
1995	25,298,772	22,991,315	90.9%	2,978,043	25,969,358	102.7%	3,457,983	13.7%
1994	24,659,462	22,027,774	89.3%	4,013,892	26,041,666	105.6%	4,128,569	16.7%

Data Source
Audited Internal Financial Statements

City of Dover, New Hampshire

General Government Fund Balance Last Ten Fiscal Years

Fiscal Year	Reserved						Total Unreserved	Total Fund Balances
	Encumbrances	Advances	Capital Outlay	Debt Service	Other	Total		
2003	\$ 1,185,254	\$ 1,381,880	\$ 85,693	\$ 170,000	\$ 23,424	\$ 2,846,251	\$ 7,379,307	\$ 10,225,558
2002	897,406	944,236	259,577	191,250	28,938	2,321,407	4,943,339	7,264,746
2001	590,582	309,500	286,559	212,500	27,682	1,426,823	5,465,045	6,891,868
2000	504,014	286,000	263,680	233,750	27,484	1,314,928	4,874,335	6,189,263
1999	363,783	399,500	291,930	255,000	25,707	1,335,920	2,874,748	4,210,668
1998	305,691	316,000	78,176	30,000	23,077	752,944	2,488,024	3,240,968
1997	112,652	247,065	71,426	-	22,276	453,419	2,217,797	2,671,216
1996	74,728	225,343	43,363	-	27,441	370,875	1,030,095	1,400,970
1995	108,171	324,617	9,802	-	53,986	496,576	1,472,805	1,969,381
1994	221,923	291,345	59,498	-	23,652	596,418	825,733	1,422,151

Includes general and special revenue funds

General Fund - Fund Equity Last Ten Fiscal Years

Fiscal Year	Reserved						Total Unreserved	Total Fund Balances
	Encumbrances	Advances	Capital Outlay	Debt Service	Other	Total		
2003	\$ 790,753	\$ 1,381,880	\$ 85,693	\$ 170,000	\$ -	\$ 2,428,326	\$ 3,709,521	\$ 6,137,847
2002	703,744	944,236	259,577	191,250	-	2,098,807	3,605,676	5,704,483
2001	469,814	309,500	286,559	212,500	-	1,278,373	4,408,451	5,686,824
2000	363,239	286,000	263,680	233,750	-	1,146,669	3,949,957	5,096,626
1999	363,783	399,500	291,930	255,000	-	1,310,213	2,149,416	3,459,629
1998	152,091	316,000	78,176	30,000	-	576,267	2,034,593	2,610,860
1997	70,937	247,065	71,426	-	-	389,428	2,025,339	2,414,767
1996	74,728	225,343	43,363	-	-	343,434	861,498	1,204,932
1995	108,171	324,617	9,802	-	-	442,590	1,227,710	1,670,300
1994	184,582	291,345	59,498	-	-	535,425	510,308	1,045,733

Special Revenue Fund - Fund Equity Last Ten Fiscal Years

Fiscal Year	Reserved						Total Unreserved	Total Fund Balances
	Encumbrances	Advances	Capital Outlay	Debt Service	Other	Total		
2003	\$ 394,501	\$ -	\$ -	\$ -	\$ 23,424	\$ 417,925	\$ 3,669,786	\$ 4,087,711
2002	193,662	-	-	-	28,938	222,600	1,337,663	1,560,263
2001	120,768	-	-	-	27,682	148,450	1,056,594	1,205,044
2000	140,775	-	-	-	27,484	168,259	924,378	1,092,637
1999	-	-	-	-	25,707	25,707	725,332	751,039
1998	153,600	-	-	-	23,077	176,677	453,431	630,108
1997	41,715	-	-	-	22,276	63,991	192,458	256,449
1996	-	-	-	-	27,441	27,441	168,597	196,038
1995	-	-	-	-	53,986	53,986	245,095	299,081
1994	37,341	-	-	-	23,652	60,993	315,425	376,418

Data Source

Audited Financial Statements

Fiscal Year 2003 includes Special Revenue Funds previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Net Assessed Value (1)	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities					
2003	\$1,359,533,470	\$471,810,672	\$ 31,250,100	\$ 1,862,594,242	\$ 10,271,000	\$ 1,852,323,242	\$ 2,033,558,594	91.6%
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	9,969,500	1,592,668,360	1,789,901,391	89.5%
2001	780,489,650	319,310,200	26,188,800	1,125,988,650	7,145,000	1,118,843,650	1,529,921,457	73.6%
2000	725,066,300	265,815,100	25,502,700	1,016,384,100	9,362,000	1,007,022,100	1,324,236,772	76.8%
1999	702,697,000	259,212,300	25,466,800	987,376,100	5,833,300	981,542,800	1,161,777,709	85.0%
1998	685,793,200	241,339,500	25,466,800	952,599,500	6,555,800	946,043,700	1,028,621,807	92.6%
1997	673,774,200	234,392,600	25,612,900	933,779,700	5,878,300	927,901,400	996,357,942	93.7%
1996	676,983,000	225,372,800	17,490,600	919,846,400	5,738,300	914,108,100	959,034,811	95.9%
1995	658,404,800	235,156,500	17,490,600	911,051,900	6,508,300	904,543,600	948,065,894	96.1%
1994	654,222,500	249,206,900	17,490,600	920,920,000	6,830,000	914,090,000	929,546,816	99.1%

Data Sources

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City	Budgetary Use of Fund Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	County	Total	Estimated Full Value Rate
2003	\$ 8.03	\$ (0.13)	\$ 7.90	\$ 6.08	\$ 4.91	\$ 10.99	\$ 1.97	\$ 20.86	\$ 18.90
2002	8.80	(0.67)	8.13	6.31	5.65	11.96	2.27	22.36	19.75
2001	11.28	(0.94)	10.34	8.41	7.22	15.63	2.51	28.48	20.25
2000	11.70	(0.25)	11.45	6.32	8.04	14.36	2.75	28.56	21.04
1999	10.54	(0.34)	10.20	16.29	-	16.29	2.73	29.22	23.65
1998	10.11	(0.41)	9.70	16.10	-	16.10	2.85	28.65	26.07
1997	10.39	(0.36)	10.03	16.07	-	16.07	2.60	28.70	26.40
1996	10.29	(0.95)	9.34	16.18	-	16.18	2.68	28.20	26.79
1995	10.09	(0.63)	9.46	16.07	-	16.07	2.62	28.15	26.74
1994	10.52	(0.74)	9.78	14.77	-	14.77	2.60	27.15	26.61

Data Source
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Principal Taxpayers June 30, 2003

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Liberty Mutual Insurance Co	Insurance	\$ 24,267,000	1.31 %
Public Service Co of NH	Utility	20,669,900	1.12
The New Meadows Inc	Apartments	11,381,100	0.61
NP Dover LLC	Supermarket	11,055,500	0.60
Heidelberg Harris	Manufacturer	10,952,100	0.59
Northern Utilities Inc	Gas Utility	10,057,600	0.54
Dover Mills Partnership	Developer	9,501,700	0.51
Holgate Limited Partnership	Comm/Res Rentals	9,255,600	0.50
Sawyers Mills Assoc Inc	Apartments	7,282,700	0.39
Langdon Place of Dover	Nursing Homes	7,211,000	0.39
Total of Principal Taxpayers		\$ 121,634,200	6.57 %
Net Assessed Value		\$1,852,323,242	

Data Source
City of Dover Tax Warrant

City of Dover, New Hampshire

Computation of Legal Debt Margin June 30, 2003

	City	School	Water	DIDA IP (3)	DIDA IB (4)	Total in Limits	Exempt from Limits	Total Debt
Bonded Debt	\$25,855,410	\$ 20,067,764	\$ 5,963,000	\$ 1,455,000	\$ -	\$53,341,174	\$ 16,556,000	\$69,897,174
Other Long Term Debt	-	-	22,649	-	-	22,649	932,328	954,977
Total Debt Outstanding	\$25,855,410	\$ 20,067,764	\$ 5,985,649	\$ 1,455,000	\$ -	\$53,363,823	\$ 17,488,328	\$70,852,151
Debt Authorized - Unissued	1,110,000	-	2,700,000	400,000	-	4,210,000	579,000	4,789,000
Total Issued Debt & Authorized	\$26,965,410	\$ 20,067,764	\$ 8,685,649	\$ 1,855,000	\$ -	\$57,573,823	\$ 18,067,328	\$75,641,151

Legal Debt % Rates of

Base Value for Debt Service (1) 3.0% 7.0% 10.0% Set by special legislation

Base Value for Debt Limits (2)
2,065,144,579

Debt Limits \$61,954,337 \$ 144,560,121 \$ 206,514,458 \$ 4,000,000 \$ 1,000,000

Unused Capacity \$34,988,927 \$ 124,492,357 \$ 197,828,809 \$ 2,145,000 \$ 1,000,000

Percent used 43.5% 13.9% 4.2% 46.4% 0.0%

Notes:

- (1) Legal Debt % Rates set by NH State statute
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Dover Industrial Development Authority - Industrial Parks
- (4) Dover Industrial Development Authority - Industrial Park Buildings

City of Dover, New Hampshire

Ratio of Net General Obligation Debt To Assessed Value and Net General Obligation Debt per Capita Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Full Assessed Value (2)	Gross Long Term Debt	Less State Aid Payments	Debt Payable from Enterprise Revenue	Net Long Term Debt	Ratio of Net Long Term Debt to Estimated Full Assessed Value	Net Long Term Debt per Capita
2003	27,436	\$ 2,033,558,594	\$ 70,852,151	\$ 13,564,907	\$ 17,616,577	\$ 39,670,667	2.0%	\$ 1,446
2002	27,252	1,789,901,391	62,842,377	12,316,567	13,937,713	36,588,097	2.0%	1,343
2001	27,068	1,529,921,457	67,734,018	13,519,768	15,221,793	38,992,457	2.5%	1,441
2000	26,884	1,324,236,772	49,731,846	14,741,553	6,684,422	28,305,871	2.1%	1,053
1999	26,698	1,161,777,709	35,716,718	10,861,302	7,760,585	17,094,831	1.5%	640
1998	26,514	1,028,621,807	33,537,462	11,734,953	7,737,550	14,064,959	1.4%	530
1997	26,330	996,357,942	34,960,147	12,509,716	7,641,651	14,808,780	1.5%	562
1996	26,146	959,034,811	33,842,898	13,774,015	7,383,803	12,685,080	1.3%	485
1995	25,962	948,065,894	32,923,000	14,756,584	7,194,658	10,971,758	1.2%	423
1994	25,778	929,546,816	32,748,338	15,716,044	7,603,848	9,428,446	1.0%	366

Notes:

(1) Trended amounts based on 1990 and 2000 US Census information.

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Ratio of Annual Debt Service Expenditures For General Obligation Long Term Debt To General Governmental Expenditures Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2003	\$ 3,977,237	\$ 1,473,335	\$ 5,450,571	\$ 65,908,406	8.3%
2002	3,985,705	1,637,666	5,623,371	60,504,269	9.3%
2001	3,270,711	960,843	4,231,554	54,243,024	7.8%
2000	1,978,789	868,833	2,847,622	48,508,441	5.9%
1999	1,802,942	808,799	2,611,741	43,924,852	5.9%
1998	1,735,106	909,593	2,644,699	42,179,953	6.3%
1997	1,429,326	880,872	2,310,198	40,517,286	5.7%
1996	1,392,615	809,770	2,202,385	39,222,650	5.6%
1995	1,228,226	773,236	2,001,463	37,825,655	5.3%
1994	1,165,888	742,022	1,907,910	36,129,531	5.3%

Data Source
Audited Financial Statements

Notes:

- (1) Excludes interest on short term notes.
- (2) Includes general and special revenue funds.

City of Dover, New Hampshire

Computation of Overlapping Debt General Obligation Bonds June 30, 2003

Jurisdiction	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
Strafford County	\$ 21,834,311	27.281928%	\$ 5,956,821

Data Source

(1) Strafford County Audited Financial Statements, December 31, 2002

(2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Dover Median Family Income (1)	Unemployment Rate (2)	School Enrollment (3)	Total Teachers (3)	Ratio of Students to Teacher
2003	27,436	\$ 62,681	3.4%	4,112	264.3	15.56
2002	27,252	60,804	2.4%	4,032	249.4	16.17
2001	27,068	58,927	2.1%	3,993	243.4	16.41
2000	26,884	57,050	2.1%	3,966	227.3	17.45
1999	26,698	55,174	2.3%	3,872	231.8	16.70
1998	26,514	53,297	2.6%	3,615	229.7	15.74
1997	26,330	51,420	3.6%	3,471	205.3	16.91
1996	26,146	49,543	3.6%	3,451	209.9	16.44
1995	25,962	47,666	3.6%	3,408	212.3	16.05
1994	25,778	45,789	5.6%	3,363	211.1	15.93

Data Sources

(1) Trended amounts based on 1990 and 2000 US Census information.

(2) NH Department of Employment Security

(3) Dover School Department, enrollment as of October of each year.

City of Dover, New Hampshire

Property Value and Construction Last Ten Fiscal Years

Fiscal Year	Local Assessed Property Value (1)				Building Permits (2)	
	Residential	Commercial	Utilities	Total	Number of Permits	Construction Value
2003	\$ 1,359,533,470	\$ 471,739,172	\$ 31,321,600	\$ 1,862,594,242	629	\$ 42,871,745
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	646	51,254,746
2001	780,489,650	319,310,200	26,188,800	1,125,988,650	626	49,283,349
2000	725,066,300	265,815,100	25,502,700	1,016,384,100	625	35,801,208
1999	702,697,000	259,212,300	25,466,800	987,376,100	556	40,877,669
1998	685,793,200	241,339,500	25,466,800	952,599,500	477	31,392,162
1997	673,774,200	234,392,600	25,612,900	933,779,700	476	33,233,469
1996	676,983,000	225,372,800	17,490,600	919,846,400	470	15,121,676
1995	658,404,800	235,156,500	17,490,600	911,051,900	531	18,176,732
1994	654,222,500	249,206,900	17,490,600	920,920,000	406	10,303,066

Data Sources

(1) State MS-1 Report of Assessed Values

(2) City of Dover Planning Department - Inspection Division.

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Total Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2003	\$ 512,554	\$ 6,957,737	\$ 409,068	\$ -	\$ 7,879,359	\$ 3,560,102	\$ 2,087,337	\$ 1,006,474	\$ 14,524	\$ 6,668,438	\$ 1,210,921	\$ 54,772,785 (1)
2002	565,334	5,130,038	136,903	735,000	6,567,275	3,285,298	2,264,227	1,136,101	592,245	7,277,871	(710,596)	53,561,864 (2)
2001	679,857	5,498,937	217,157	867,000	7,262,951	3,294,038	2,214,503	908,358	340,000	6,756,899	506,052	44,826,544
2000	638,392	4,999,583	179,590	-	5,817,565	2,877,432	2,225,281	1,018,410	315,000	6,436,123	(618,558)	44,210,697
1999	759,847	4,888,517	102,005	-	5,750,369	2,859,706	2,237,918	1,125,162	290,000	6,512,786	(762,417)	44,721,602
1998	791,522	4,693,006	164,281	500,607	6,149,416	2,779,065	2,099,376	1,207,484	245,339	6,331,264	(181,848)	45,407,210
1997	844,890	4,349,900	115,840	-	5,310,630	2,858,341	2,121,251	1,314,859	180,000	6,474,451	(1,163,821)	45,207,968
1996	866,915	4,539,264	34,833	232,000	5,673,012	2,587,938	2,093,021	1,359,046	215,000	6,255,005	(581,993)	46,330,152
1995	944,919	4,469,638	48,473	-	5,463,030	2,625,332	2,075,124	1,474,056	211,010	6,385,522	(922,492)	46,890,599
1994	1,017,668	4,415,402	103,322	-	5,536,392	2,430,899	2,131,174	1,561,526	211,243	6,334,842	(798,450)	49,238,859

Includes Water and Sewer Funds

Water Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Fund Equity Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2003	\$ -	\$ 3,040,583	\$ 121,338	\$ -	\$ 3,161,921	\$ 1,611,453	\$ 501,377	\$ 213,516	\$ -	\$ 2,326,346	\$ 835,575	\$ 14,512,849 (1)
2002	-	2,217,796	47,485	400,000	2,665,281	1,513,683	465,709	259,524	292,245	2,531,161	134,120	13,677,274 (2)
2001	-	2,287,727	19,100	142,000	2,448,827	1,377,318	438,642	118,840	40,000	1,974,800	474,027	8,375,032
2000	-	2,169,065	12,030	-	2,181,095	1,227,278	430,875	147,350	40,000	1,845,503	335,592	7,791,977
1999	-	2,052,582	16,239	-	2,068,821	1,125,482	406,385	162,953	40,000	1,734,820	334,001	7,348,732
1998	-	2,031,133	16,834	3,216	2,051,183	1,136,149	339,450	183,506	40,000	1,699,105	352,078	6,937,923
1997	-	1,840,024	52,250	-	1,892,274	1,118,561	337,945	201,175	40,000	1,697,681	194,593	6,184,608
1996	-	1,897,731	18,467	-	1,916,198	1,031,755	332,770	180,753	40,000	1,585,278	330,920	5,957,899
1995	-	1,844,482	29,250	-	1,873,732	877,351	320,624	213,740	52,640	1,464,355	409,377	5,605,433
1994	-	1,783,268	40,473	-	1,823,741	974,393	368,567	210,284	50,833	1,604,077	219,664	5,361,938

Sewer Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Fund Equity Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2003	\$ 512,554	\$ 3,917,154	\$ 287,730	\$ -	\$ 4,717,438	\$ 1,948,649	\$ 1,585,960	\$ 792,958	\$ 14,524	\$ 4,342,091	\$ 375,347	\$ 40,259,937 (1)
2002	565,334	2,912,242	89,418	335,000	3,901,994	1,771,615	1,798,518	876,577	300,000	4,746,710	(844,716)	39,884,590 (2)
2001	679,857	3,211,210	198,057	725,000	4,814,124	1,916,720	1,775,861	789,518	300,000	4,782,099	32,025	36,451,512
2000	638,392	2,830,518	167,560	-	3,636,470	1,650,154	1,794,406	871,060	275,000	4,590,620	(954,150)	36,418,720
1999	759,847	2,835,935	85,766	-	3,681,548	1,734,224	1,831,533	962,209	250,000	4,777,966	(1,096,418)	37,372,870
1998	791,522	2,661,873	147,447	497,391	4,098,233	1,642,916	1,759,926	1,023,978	205,339	4,632,159	(533,926)	38,469,287
1997	844,890	2,509,876	63,590	-	3,418,356	1,739,780	1,783,306	1,113,684	140,000	4,776,770	(1,358,414)	39,023,360
1996	866,915	2,641,533	16,366	232,000	3,756,814	1,556,183	1,760,251	1,178,293	175,000	4,669,727	(912,913)	40,372,253
1995	944,919	2,625,156	19,223	-	3,589,298	1,747,981	1,754,500	1,260,316	158,370	4,921,167	(1,331,869)	41,285,166
1994	1,017,668	2,632,134	62,849	-	3,712,651	1,456,506	1,762,607	1,351,242	160,410	4,730,765	(1,018,114)	43,876,921

Data Source

Audited Financial Reports

(1) Fiscal year 2003 includes Capital Reserve Funds previously considered Trust Funds.

(2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.

City of Dover, New Hampshire

Utility Fund Billable Volumes and Rates Last Ten Fiscal Years

Fiscal Year	Billable Volume Used for Setting Rates		Rates per HCF		
	Water	Sewer	Water	Sewer	Combined
2003	1,015,000	900,000	\$ 2.17	\$ 3.73	\$ 5.90
2002	990,000	881,000	2.31	3.59	5.90
2001	960,000	864,000	2.04	3.44	5.48
2000	935,000	845,000	2.08	3.20	5.28
1999	930,000	850,000	1.87	3.20	5.07
1998	948,000	860,000	1.89	3.03	4.92
1997	938,000	841,000	1.86	3.06	4.92
1996	925,000	833,000	1.86	3.06	4.92
1995	920,000	825,000	1.75	3.00	4.75
1994	882,000	818,000	1.75	3.00	4.75

Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).

Sewer charges are based on the amount of water consumed.

One hundred cubic feet (HCF) equals 748 gallons.

Data Source

City of Dover Budget and Budget Resolutions

City of Dover, New Hampshire
Miscellaneous Statistics
June 30, 2003

Date of Incorporation	1855
Form of Government	Council/Manager
Area in Square Miles	29
Total Number of Positions - Full Time Equivalents (excluding school)	FTE 303.4

City of Dover Facilities and Services:

General Government		
Number of Personnel	Full Time Equivalent (FTE)	58.8
Police Protection		
Number of stations		2
Number of sworn police personnel and officers	FTE	54.6
Number of support positions (includes Public Safety Dispatch)	FTE	24.1
Number of patrol units		10
Number of law violations:		
Physical arrests		1252
Traffic violations		1972
Parking violations		7983
Fire Protection		
Number of stations		2
Number of fire personnel and officers	FTE	48.9
Number of calls answered		5077
Number of inspections conducted		640
Public Works		
Number of personnel	FTE	51
Miles of streets		131
Miles of storm drains		57
Number of street lights		1831
Sewage System:		
Number of personnel	FTE	16
Miles of sanitary sewers		112
Number of treatment plants		1
Number of service connections		6488
Daily average treatment in gallons		2.7 Mil Gal
Maximum daily capacity of treatment in gallons		4.7 Mil Gal
Water system:		
Number of personnel	FTE	13.5
Miles of water mains		142
Number of service connections		7656
Number of fire hydrants		960
Daily average consumption in gallons		2.8 Mil Gal
Maximum daily capacity of plant in gallons		3.4 Mil Gal
Culture and Recreation:		
Number of personnel	FTE	36.5
Community Centers		2
Parks		16
Park acreage		236
Swimming pools		2
Tennis courts		9
Indoor gyms		2
Indoor ice skating sheets		2
Education		
Number of elementary Schools		3
Number of elementary school instructors		88.3
Number of elementary school students		1292
Student capacity of elementary schools (addition for 200 in progress)		1462
Number of secondary schools		2
Number of secondary school instructors		176
Number of secondary school students		2678
Student capacity of secondary schools (addition for 200 in progress)		2800
Facilities and services not included in the primary government or reporting entity:		
Cable television system		
Miles of service		177.16
Hospitals		
Number of hospitals		1
Number of patient beds		178
Multi model transportation center		1
Passenger rail (to Boston MA or Portland ME), Bus and Taxi		

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